

Chief Administrative Office Risk Management Annual Report

Fiscal Year Ended June 30, 2006



County of Los Angeles, California

We are proud to present the *County of Los Angeles Chief Administrative Office, Risk Management Branch Annual Report for Fiscal Year ending June 30, 2006.*

Your questions or suggestions concerning this annual report would be appreciated.

Thank you

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Chief Administrative Officer



This report is available on our website at <http://cao.lacounty.gov>.

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EXECUTIVE SUMMARY

The County of Los Angeles Chief Administrative Office (CAO) is pleased to provide its risk management annual report for Fiscal Year (FY) July 1, 2005 through June 30, 2006.

The report contains summaries of the fiscal year's losses and costs for the County of Los Angeles (County) workers' compensation, vehicle liability, general liability, and medical malpractice self-insured programs. This report is intended to assist departments with the assessment of the nature and extent of departmental exposures and losses, and implementation of effective loss control and prevention programs to mitigate those losses.

MISSION AND STRUCTURE

The Chief Administrative Office Risk Management Branch (CAO/RMB) mission is:

To evaluate significant Countywide risks, hazards and exposures; develop and implement risk management methodologies to fund, minimize or eliminate loss; and, advise the Board of Supervisors and departments of risk control strategies to mitigate unanticipated financial losses.

The CAO/RMB's vision is:

To be recognized as the leader in risk management for the State of California public entities; and, to be relied upon for a Countywide risk management philosophy, standards, processes, and direction.

CAO/RMB's primary risk management responsibilities include:

- Risk consulting;
- Self-insurance or purchased insurance above self-insured retentions;
- Management and financing of the County's Workers' Compensation Trust Fund (WCTF);
- Oversight of the Contract Cities and Special Districts Liability Trust Funds;
- Administration and monitoring third party administrators' (TPA) adjusting of workers' compensation and tort liability claims, including vehicle, general, employment practices, and medical malpractice liability claims;

- Loss prevention training, reporting, standards, procedures and compliance;
- Loss control and industrial hygiene programs;
- Contractual indemnification and insurance requirement language review;
- Administration of the County's occupational health program, including employee medical and psychological programs and the Employee Assistance Program;
- Administration of the County's Short Term Disability and Long Term Disability Plans; and,
- Administration of the County's Return-to-Work Program.

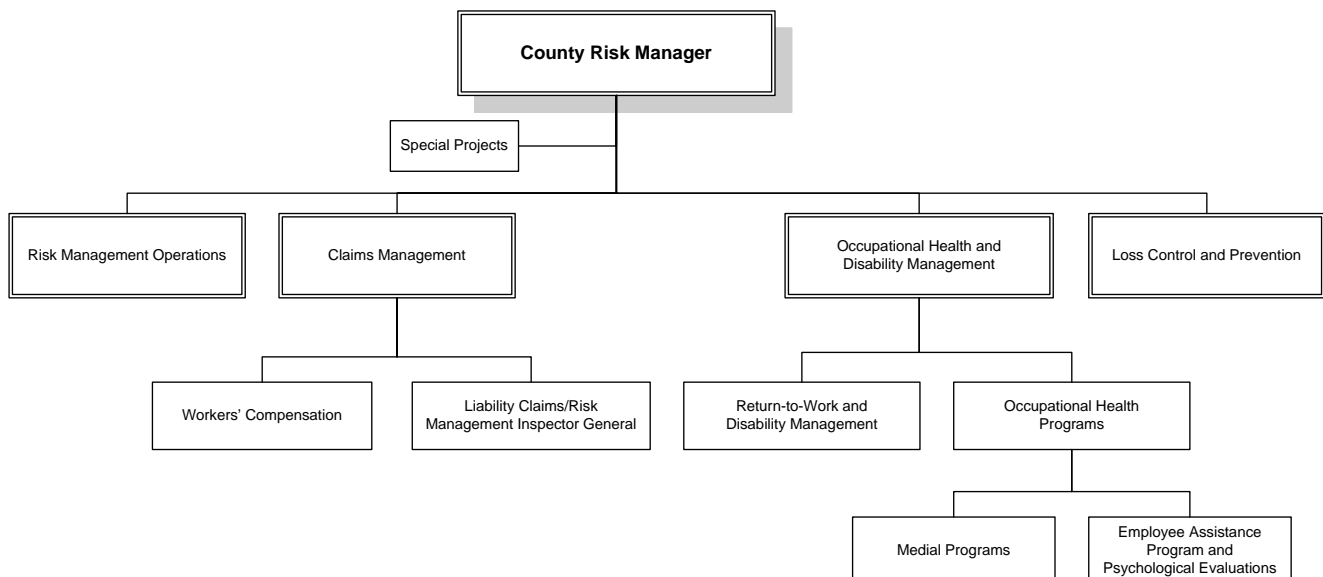
CAO/RMB comprises six operational areas:

1. Workers' Compensation Claims;
2. Liability Claims/Risk Management Inspector General;
3. Loss Control and Prevention;
4. Occupational Health Programs;
5. Return-to-Work and Disability Management; and,
6. Risk Management Operations.

Each operational area is presented in this report. CAO/RMB staff strives to accomplish the CAO's mission with direction from the County's Board of Supervisors and assistance of County departments, the CAO Risk Management Advisory Committee, and County Counsel. The County's Risk Manager reports to the County's Chief Administrative Officer.

Figure 1: CAO/RMB organization chart

CAO Risk Management Branch Organization Chart



FISCAL YEAR 2005-06 RESULTS

During FY 2005-06, the County continued to experience favorable risk management results, particularly related to workers' compensation. These improvements are attributable to:

- Implementation of measures provided by the State of California (State) workers' compensation legislative reforms;
- Increased departmental loss control and prevention efforts; and,
- Increased commitment by department heads to reduce their departments' Cost of Risk.

CAO/RMB staff continues to participate in efforts to minimize the erosion of gains made through these legislative reforms. Reforms which have been passed included a medical fee schedule, medical utilization review, independent medical review, repeal of the treating physician presumption, and the creation of medical provider networks (MPNs).

FY 2005-06 Accomplishments

- Reduced the County's Cost of Risk from 2.06% to 2.05% (a reduction of almost \$3 million).
- A 30% decrease (\$117 million) from the budgeted \$380 million for WCTF expenses to the actual paid expenses of \$263 million for FY 2005-06.
- A 3% decrease (\$10 million) in WCTF paid expenses from FY 2004-05 (\$273 million) to FY 2005-06 (\$263 million).
- A slight decrease in the number of workers' compensation claims filed from FY 2004-05 (10,476) to FY 2005-06 (10,468).
- A slight decrease in the number of new liability claims and lawsuits filed from FY 2004-05 (4,333) to FY 2005-06 (4,323).
- Implemented a Medical Provider Network to treat injured employees.
- Implemented enhanced pre-placement medical screening protocols for applicants and enhanced periodic medical screening protocols for existing employees.

FY 2006-07 Objectives

- Continue to work closely with County representatives in Sacramento to minimize the erosion of legislative gains obtained through the State workers' compensation reforms; and, make additional legislative recommendations relating to workers' compensation or service connected disability retirements as warranted.
- Closely collaborate with the Guiding Coalition Risk Management Action Team (see page 7) to implement its objectives.
- Minimize the County's Cost of Risk.

ACTUARIAL RESULTS

The actuarial study of the self-insured Workers' Compensation Program includes a projection of the estimated outstanding losses (the cost of unpaid claims). These losses include claim reserves and incurred but not reported claims.

As a result of legislative changes, including State Assembly Bill 227 and Senate Bills 228 and 899, and improvements in the County's risk management programs, the County experienced a significant decrease, \$1,288,199,033 (35%), in its estimated outstanding losses between June 30, 2004 and June 30, 2006.

Table 1: Comparison of estimated outstanding losses

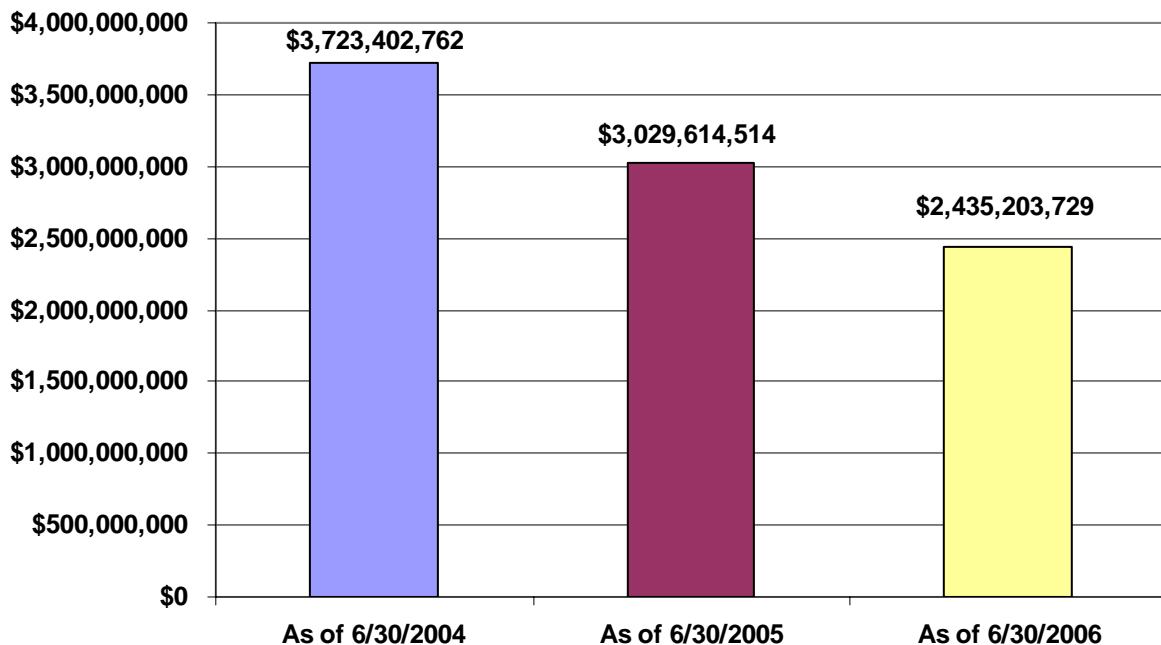
	As of June 30, 2004	As of June 30, 2005	As of June 30, 2006
Estimated outstanding losses	\$2,627,884,540	\$2,556,222,203	\$2,435,203,729
Projected ultimate losses for FY 2004-05	\$521,020,150	Included above	Included above
Projected ultimate losses for FY 2005-06	\$574,498,072	\$473,392,311	Included above
Total¹	\$3,723,402,762	\$3,029,614,514	\$2,435,203,729

Source: ARM Tech

Note:

1. Includes State of California Labor Code 4850 expenses and salary continuation expenses.

County of Los Angeles Projected Ultimate Workers' Compensation Losses



RISK MANAGEMENT COORDINATORS

Risk Management Coordinators are the designated representatives in each department responsible for overseeing all risk management issues. CAO/RMB efforts at improving the County's Risk Management Program are directly influenced by the support received from County departmental Risk Management Coordinators. CAO/RMB thanks these individuals for their support.

The education of the County's Risk Management Coordinators continued during FY 2005-06. In addition to one-on-one meetings, group training sessions were conducted with sessions on the following:

- Workers' compensation FY 2004-05 results, budgeting for FY 2005-06;
- New Occupational Health Program testing procedures;
- Establishment of a Medical Provider Network, updates to the *County of Los Angeles Return-To-Work Guide*, and improvements to the Short Term Disability program;
- Property insurance program overview;
- Claim review guidelines for selecting individual claims to be discussed;
- Reasonable accommodations – what they are, who is entitled, and manager/supervisor responsibilities (presented by the Office of Affirmative Action Compliance);
- Risk Management Inspector General Corrective Action Plan review process;
- Property survey results – common findings;
- CAO Risk Management intranet demonstration;
- Claim investigations and response (presented by County Counsel);
- Workers' compensation anti-fraud efforts;
- Liability incident reporting (presented by Carl Warren and Company); and,
- Pandemic influenza planning (presented by the Department of Health Services).

RISK MANAGEMENT ADVISORY COMMITTEE

CAO/RMB thanks the CAO Risk Management Advisory Committee (Committee) for its efforts during the past year. The Committee meets quarterly to receive updates on risk management issues in the County and to provide advice and guidance. The Committee includes representatives appointed by the Board of Supervisors and the CAO.

First District: Supervisor Molina

Gary A. Bacio
Law Offices of Gary Bacio

Second District: Supervisor Burke

Jesse B. Johnson, Jr.
City of Long Beach

Third District: Supervisor Yaroslavsky

Diann P. Corral

Fourth District: Supervisor Knabe

Brigitta B. Troy
Arden Realty, Inc.

Fifth District: Supervisor Antonovich

Richards D. Barger, Jr.
Minerva Insurance Services, Inc.

CAO Appointee

Fay Feeney
Envision Strategic Group

CAO Appointee

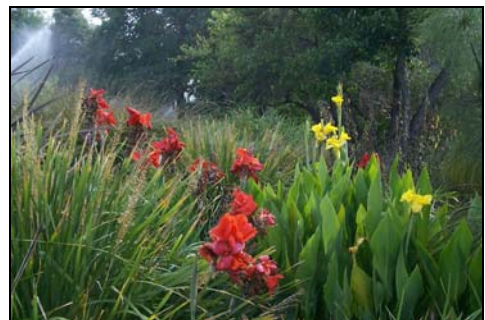
Karen D. Oxman
GNW-Evergreen Insurance Services, LLC

CAO Appointee

Roger B. Plotkin
Beckman Coulter, Inc.

CAO Appointee

Roland R. Sarlot
Sarlot and Rhein



GUIDING COALITION RISK MANAGEMENT ACTION TEAM

The County of Los Angeles Guiding Coalition (GC) is a group of County executives formed to provide leadership and guidance to the County in furthering awareness of the County Strategic Plan and facilitating its continued implementation. The GC is comprised of five Board of Supervisors' chief deputies/chiefs of staff and 18 department heads who have volunteered to serve. A Risk Management Action Team, which was developed as part of the GC, was instrumental in adding several items to the *County of Los Angeles Strategic Plan – 2005 Update*.

- **Goal 3, Strategy 7: By June 30, 2006, improve the operational efficiency of the County of Los Angeles Risk Management Program.**
 - Developed an orientation program for department heads, their chief deputies, and Risk Management Coordinators regarding their roles in Loss Control and Prevention and Corrective Action Plans.
 - Through collaboration with County Counsel, improved the accuracy and functionality of the risk management information system database while preserving and protecting attorney-claim privileges and attorney work product privilege.
 - Evaluated the risk management program benefits and the cost effectiveness of consolidating County departments' property and tort liability claim adjusting responsibilities and related staff in the CAO.
- **Goal 4, Strategy 3: By March 31, 2007, reduce the County's cost of litigation by changing the emphasis from litigation management to claim adjusting and risk control and prevention utilizing a collaborative format.**
 - Conducted on-going discussions and collaboration with County Counsel and departments to increase claim settlement authority levels and *Los Angeles County Code* language.
 - Implemented a process to establish annual property and tort liability actuarial studies to improve the accuracy of the County's budgeting and cost allocation processes.
- **Goal 4, Strategy 4: By January 3, 2006, address reducing the spiraling growth of workers' compensation claims and related expenses by treating such claims and expense as a Countywide financial crisis.**
 - Developed and implemented a Medical Provider Network to treat workers' compensation claimants.
 - Implemented new protocols, techniques, and procedures to improve medical examination effectiveness in assessing applicant fitness for duty.
 - Modified Countywide employee and pre-employment drug and alcohol testing programs, and modified training methods to assist supervisors to identify substance abuse/misuse and prevent workers' compensation claims.
 - Collaborated with the Fire Department to study the costs and benefits of implementing an alternative dispute resolution program.

COST OF RISK

The Cost of Risk is a comparison of the County's expenditures for the County's numerous risk management programs to the County's operating expenditures in a specific fiscal year. The effectiveness of the County's risk management programs can be reflected in this comparison since the Cost of Risk includes paid claims (amounts paid in the fiscal year without regard to the year the claims arose), insurance premiums, safety and loss control programs, and operational and administrative expense. The County's Cost of Risk is outlined in Table 2 and the Cost of Risk as a percentage of County expenditures is illustrated in Figure 2.

Table 2: Cost of Risk detail

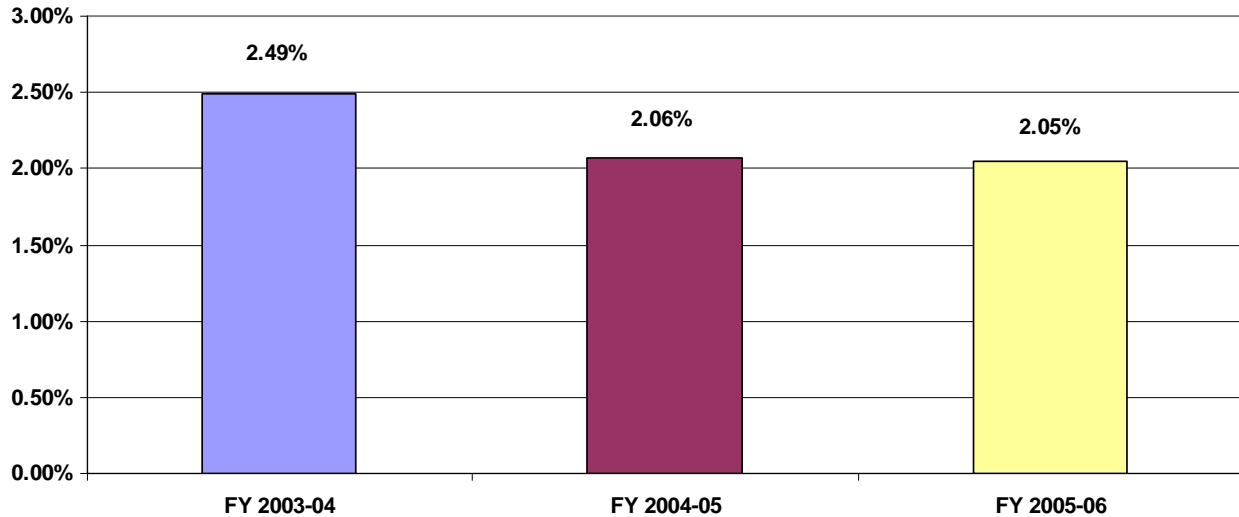
	FY 2003-04	FY 2004-05	FY 2005-06
Claims and Premiums			
Vehicle Liability ^{1,2}	\$3,225,815	\$5,171,231	\$4,369,278
General Liability ¹	\$12,206,753	\$11,198,875	\$20,199,020
Workers' Compensation ³	\$264,746,986	\$213,614,145	\$207,621,048
Medical Malpractice ¹	\$8,874,921	\$9,967,836	\$9,039,691
Property Insurance Premiums ⁴	\$11,767,347	\$12,209,867	\$12,668,683
Other Insurance Premiums ⁴	\$3,840,135	\$4,428,482	\$4,797,001
Subtotal	\$304,661,957	\$256,590,436	\$258,694,721
Other Costs			
Legal Expenses ^{1,5}	\$48,710,046	\$50,271,527	\$44,552,200
Broker Fees ^{1,4}	\$807,884	\$662,589	\$500,000
Consulting and Management Fees ^{1,6}	\$223,559	\$192,227	\$117,504
Claims Administration Fees ^{3,6}	\$23,826,110	\$25,715,149	\$26,436,059
Administrative ^{3,7,8}	\$30,098,623	\$27,778,245	\$27,991,182
Subtotal	\$103,666,222	\$104,619,737	\$99,596,945
COST OF RISK⁹	\$408,328,179	\$361,210,173	\$358,291,666
Total County Operating Expenditures	\$16,370,651,494	\$17,492,491,499	\$17,453,629,931
COST OF RISK (as Percentage of County Operating Expenditures)	2.49%	2.06%	2.05%

Notes:

1. Paid claims represents the amount paid for all indemnity (pay type OC) in the fiscal year regardless of occurrence date and does not include Reported But Not Paid (RBNP) or Incurred But Not Reported (IBNR) reserves. Payments include CAO/RMB Insurance Budget and County Counsel Judgment and Damages Budget.
2. Vehicle Liability claim cost figures do not include non-insured property loss and non-third party vehicle loss, which are directly paid by each department.
3. Does not include departmental payroll expenses for workers' compensation (State of California Labor Code 4850 or salary continuation).
4. Reflects expenditures funded from only the Insurance Budget and does not include expenditures from the Judgment and Damages Budget.
5. Legal Expenses are defined in liability files as all fees and expenses paid from the liability claim (pay type SS). Legal expenses are defined in workers' compensation as all contract and County Counsel fees (pay category 53). Legal expenses are the sum of pay type SS and pay category 53.
6. Amount is the sum of the Insurance Budget expense for TPA adjusting services and the WCTF expense for TPA adjusting services. Does not include cost for other CAO/RMB functions (i.e. Loss Control and Prevention and Occupational Health Programs).
7. Amount is the sum of administrative support cost (i.e. computer system, CAO/RMB costs) for liability program and all of the administration costs not included in legal expenses, TPA adjusting expenses, and net benefit expense (i.e. investigation expenditures, computer costs); administrative workers' compensation costs are reported in the WCTF report.
8. Amount includes costs not billed from the Insurance Budget for CAO/RMB services for FY 2003-04.
9. Total Cost of Risk does not include non-insured property claims and County owned vehicle claims.

Figure 2: Cost of Risk as a percentage of County expenditures

**County of Los Angeles Cost of Risk as a Percentage of County Expenditures
FY 2003-04 through FY 2005-06**



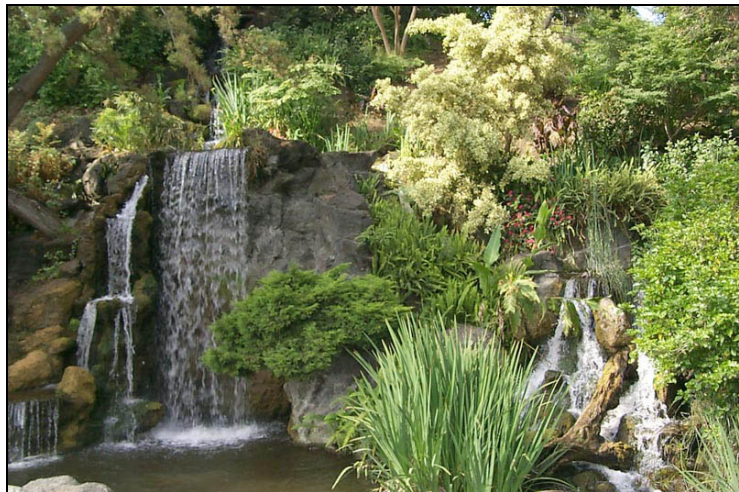
The County's objective is to minimize the Cost of Risk, with a goal for the Cost of Risk **to not exceed 2.00%** of the County's operating expenditures.

All amounts are paid as of June 30, 2006, as reported in the County's liability risk management information system (RMIS), workers' compensation information system (GenCOMP), and/or the WCTF Cash Balance Report.

Although RMIS is available to collect and analyze applicable data, some RMIS data need maturation due to questions of completeness, historical data conversion and claim information coding. Insufficient claim coding is corrected when identified and this may result in changes to historical data. However, RMIS contains sufficient data to enable County management to measure and control liability exposures. RMIS information included in this report is: (1) information coded as Vehicle Liability (AL), General Liability (GL), and Medical Malpractice (MM); but, (2) information excludes Metropolitan Transportation Authority (MTA), Metrolink, departments not listed in Exhibit C, Children Service dependency cases, and probate funding accounts.

RISK MANAGEMENT BRANCH FUNCTIONS

- a. Workers' Compensation
- b. Liability Claims/Risk Management Inspector General
- c. Loss Control and Prevention
- d. Occupational Health Programs
- e. Return-to-Work and Disability Management
- f. Risk Management Operations



WORKERS' COMPENSATION

The County's self-insured Workers' Compensation Claim Administration Program is the largest of any local governmental entity in California, and is responsible for securing statutory workers' compensation protection for over 95,000 employees and the administration of over 24,500 open workers' compensation claims. In addition, approximately 10,500 new claims are annually reported (Figure 3). On a daily basis, workers' compensation claims are paid to current, out-of-service, and other statutorily covered employees. Three workers' compensation claim third party administrators (TPAs) adjust the County's workers' compensation claims. Experienced County staff in the CAO/RMB Workers' Compensation Claim Management Unit (CAO/WCCU) provides on-site monitoring of the claim services of each TPA. County Counsel staff and contracted workers' compensation defense attorneys provide legal services.

During FY 2005-06, CAO/WCCU managed the County's self-insured Workers' Compensation Claim Administration Program, ensuring the payment of claims to employees whose injuries arose in the course and scope of employment. The open workers' compensation claim count includes future medical claims, denied claims, delayed claims, and active claims where indemnity benefits are owed. CAO/WCCU provides customer service designed to assist injured workers and County departments resolve workers' compensation claim issues by providing subject matter expertise. Additionally, CAO/WCCU provides continuous on-site workers' compensation TPA monitoring, performance auditing, and negotiation and settlement authorization.

FY 2005-06 Accomplishments

- CAO/WCCU continued to collaborate with TPAs, County departments, and County Counsel in implementing the significant workers' compensation reforms that became effective in Calendar Year 2004. These State of California (State) workers' compensation system reforms promised administrative efficiency and cost containment. As a result of the successful implementation of these reforms, the County realized a significant reduction in workers' compensation costs and future exposures. In FY 2005-06, the County Workers' Compensation Trust Fund (WCTF) actual costs were lower than FY 2004-05 WCTF actual costs. Such year-to-year actual reductions are extremely difficult to accomplish in a current expense system. These reductions to cost are illustrated in Figure 4, Figure 5, and Figure 6.
- CAO/WCCU worked with a coalition of public and private employers and the insurance industry in monitoring and recommending regulatory changes to accomplish reform in a balanced, efficient, non-litigious manner.
- CAO/WCCU continued to emphasize claim handling protocols that cultivate evidence-based claim administration and improve communication between workers' compensation TPAs and County departments. In FY 2005-06, CAO/WCCU monitors attended more than 90 claim reviews and litigation roundtables.

- In collaboration with the CAO/RMB Return-to-Work Program and County departments, reduced the annual amount of State-rate temporary disability claim expenses paid Countywide by promoting enhanced communication between departments and their TPAs.
- CAO/WCCU completed all of the required workers' compensation claims TPA audits.
- CAO/WCCU continued to aggressively combat workers' compensation fraud. In FY 2005-06, CAO/WCCU participated in a multi-agency taskforce* created to identify, investigate, and prosecute suspected fraudulent medical diagnostic companies.

* CAO/WCCU acknowledges the participation of the following agencies: County of Los Angeles Sheriff's Department, County of Los Angeles District Attorney's Office, State of California Department of Insurance, City of Los Angeles Police Department, and the United States Department of Health and Human Services Office of Inspector General.

- CAO/WCCU continued to provide onsite training, payment authorization, and fiscal reconciliation services at each workers' compensation TPA facility. These services led to increased benefit coordination efficiency and increased accuracy of workers' compensation benefit payments.
- CAO/WCCU worked closely with ARM Tech actuaries in developing the County's estimated outstanding and projected ultimate workers' compensation liabilities.
- Completed the transition of approximately 6,000 open workers' compensation claims to a newly contracted workers' compensation TPA.

FY 2006-07 Objectives

- Continue to implement the statutory reforms authorized in State Senate Bill 899.
- Continue to implement evidence-based claim handling protocols.
- Continue to promote collaboration with workers' compensation TPAs, County Counsel, County departments, and the CAO/RMB Return-to-Work and Loss Control and Prevention staff to improve workers' compensation claim outcomes.
- Continue to collaborate with the County of Los Angeles District Attorney's Fraud Interdiction Program staff and the National Insurance Crime Bureau to deter workers' compensation provider fraud in the County.
- In collaboration with CAO/RMB Risk Management Operations and CAO Information Technology Services, upgrade the current automated workers' compensation claim management system.

Figure 3: Workers' compensation claim inventory

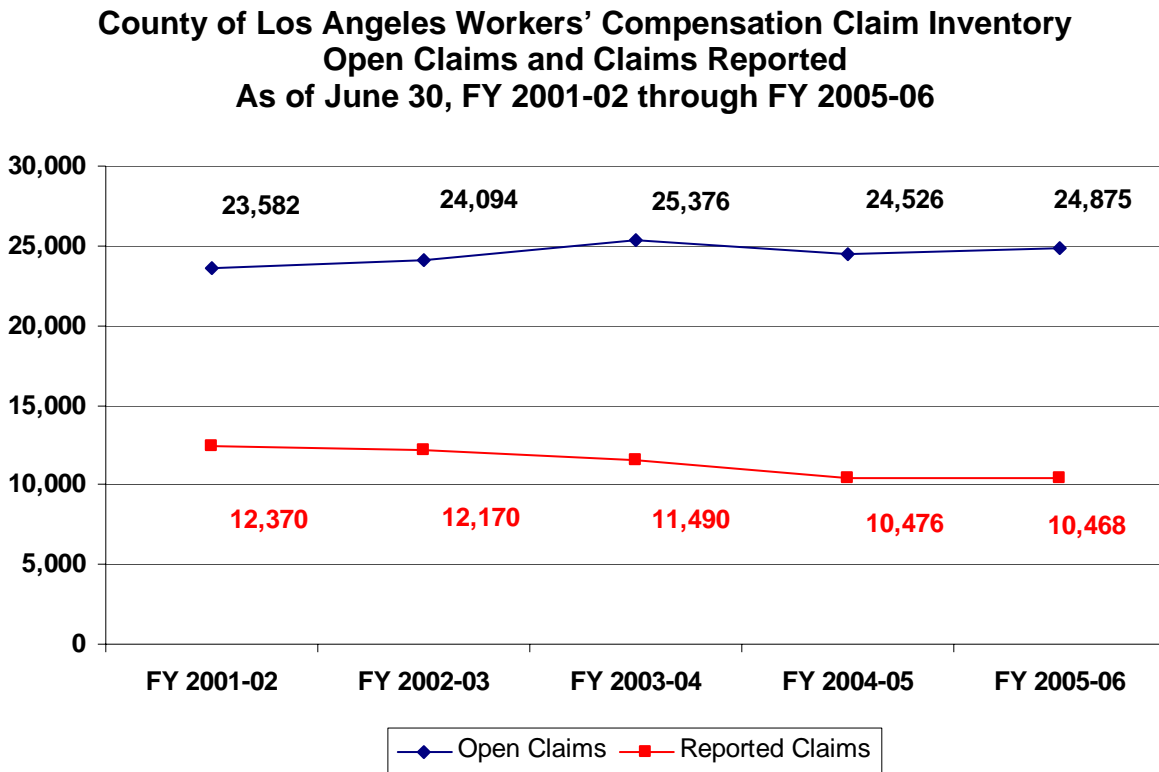


Figure 4: Workers' Compensation Trust Fund budgeted vs. actual paid cost

County of Los Angeles Workers' Compensation Trust Fund Budgeted vs. Actual Paid
FY 2001-02 through FY 2005-06

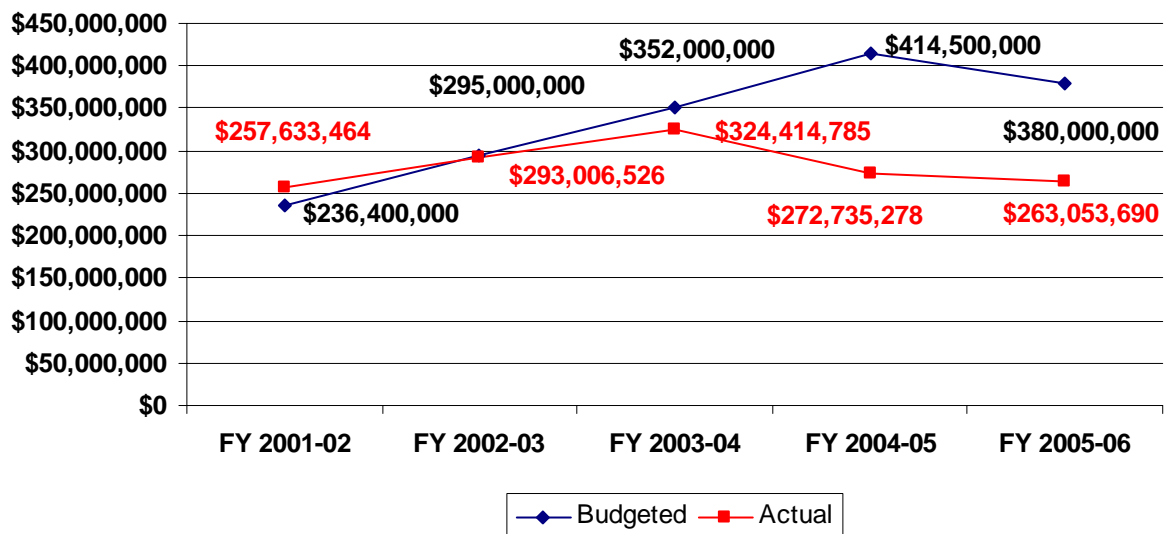
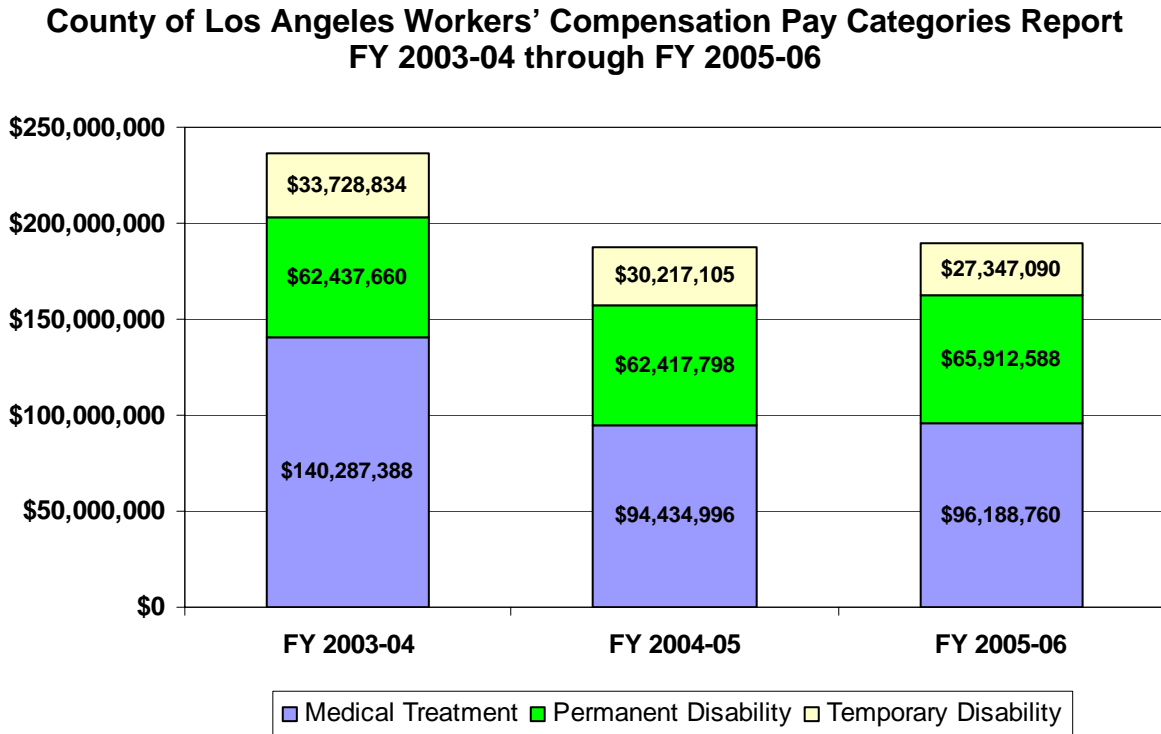


Figure 5: Pay Categories Report cost comparison

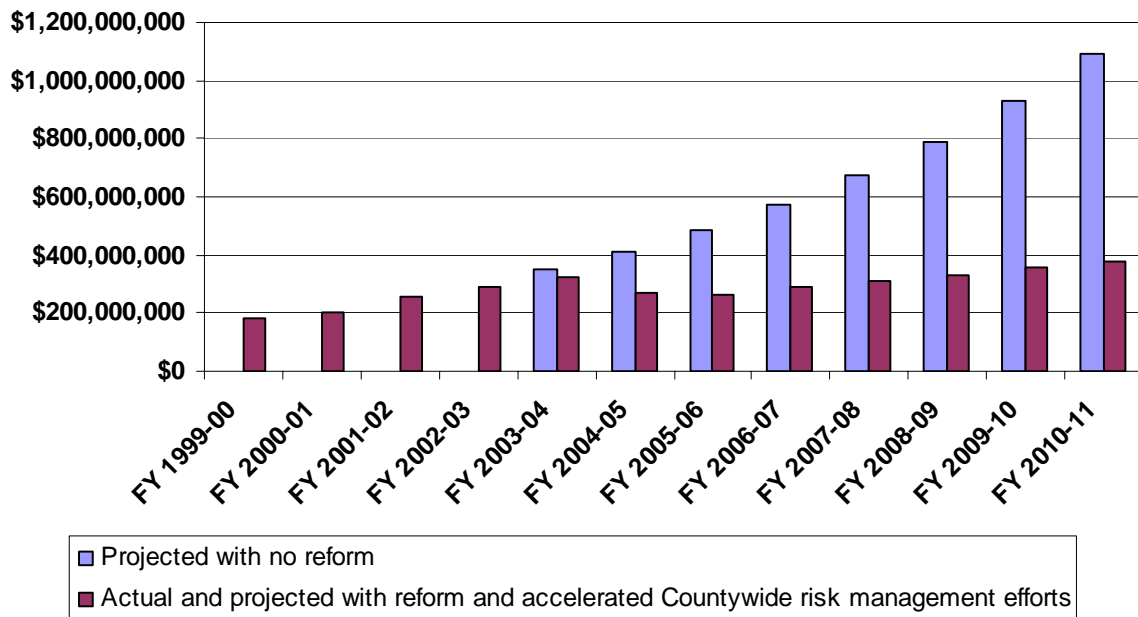


Note:

1. Medical Treatment is sum of Pay Category 00 and 10; Permanent Disability is Pay Category 21; Temporary Disability is Pay Category 20.

Figure 6: Estimated* expense reduction due to the 2003 and 2004 workers' compensation reforms and risk management efforts in the County's Workers' Compensation Trust Fund costs (estimated July 1, 2006)

**County of Los Angeles Projected Annual Workers' Compensation Expense Reduction
Due to the 2003 and 2004 Reforms and Countywide Risk Management Efforts**



Source: GenComp and ARM Tech.

Actuals through June 30, 2006

* Estimate does not include anticipated State Senate Bill 899 erosion and unintended consequences.

LIABILITY CLAIMS/RISK MANAGEMENT INSPECTOR GENERAL

The CAO/RMB Liability Claims (CAO/LC) and Risk Management Inspector General Unit (CAO/RMIG) was created in FY 2003-04 to focus resources on the administration of the County's tort liability and small claims management processes; and, to perform the County's Risk Management Inspector General functions. The CAO/LC mission is:

To advance and improve property and tort liability claim adjusting and management; collaborate with departments and County Counsel in litigation management; and, minimize the number of property and tort liability claims and lawsuits and the County of Los Angeles' Cost of Risk.

Liability Claims:

CAO/LC provides consultative services that support the County's property and tort liability, including vehicle, general, employment practices, and medical malpractice liability, claim processes. For vehicle, general, employment practices, and medical malpractice liability claims assigned to the County's two liability claim third party administrators (TPAs), CAO/LC serves as the County's contract administrator. CAO/LC represents the County in Small Claims Court, investigates liability and property claims, and adjusts inmate and patient property claims against the County.

CAO/LC also provides the following services to the County:

- Subrogation, restitution, and deductible recovery. In FY 2005-06, CAO/LC received \$730,000 from "at fault" parties who damaged County property. This represents a 267% increase from the FY 2004-05 amount of \$199,000.
- Report and consult with County departments on exposure and claim issues. Assist departments to assess methods to reduce exposures and claims.
- Management of the County's two liability TPAs adjusting the County's vehicle, general, employment practices, and medical malpractice liability claims. In addition to claim adjusting, the TPAs also conduct legal bill reviews and provide departments with data and information concerning the departments' claims.
- Adjust small and property damage claims for various County departments.
- Management of the County's structured settlement and annuity program, consisting of 58 open cases.
- Coordination and oversight of the County's Special Districts and Contract Cities Liability Trust Funds.
- Support departments' loss control efforts through the generation and distribution of Risk Management Information System (RMIS) loss control and claim reports.

CAO/LC FY 2005-06 Accomplishments

- Successfully consolidated the Auditor-Controller Warrant Investigations Unit into the CAO. Developed and implemented RMIS upgrades to facilitate inclusion of Small Claims Court representation and other claim functions into RMIS.
- CAO/LC staff represented the County in 49 Small Claims Court appearances, resulting in 70% favorable rulings. The staff adjusted 459 inmate and patient property claims, limiting expenses to \$35,000.
- Improved the performance of the County's two tort liability TPAs, as measured by the CAO's bi-annual liability claim TPA performance audit from the March 2005 audit to the March 2006 audit.
- Coordinated and participated on the Medical Malpractice and Hospital Liability Claim Administration and Litigation Management (MEDMAL) Request for Proposal (RFP) task force and collaboratively drafted an updated MEDMAL scope of work and performance measurement criteria. Worked with CAO/RMB Risk Management Operations to release the MEDMAL RFP and conduct required review of bid proposals.
- In conjunction with the Department of Public Works, developed and implemented a sewer back-up emergency response process designed to minimize liability exposures associated with sewer back-up related damage to citizens' homes.
- In conjunction with County Counsel, the Department of Health Services, and the MEDMAL TPA, implemented an enhanced claim management process for claims with indemnity reserves greater than \$100,000.

FY 2006-07 Objectives

- Facilitate the implementation of the new MEDMAL TPA contract.
- Coordinate the transfer of employment practices liability claims from one tort liability TPA to the other.
- Develop and implement a process to pursue County real property subrogation opportunities.
- In collaboration with CAO Employee Relations and County departments, evaluate the County's Permittee Driver program and make recommendations related to the adjusting of County first party vehicle claims.
- Work with CAO Information Technology Services and County Counsel to expand distribution of liability claim information to County departments.
- Publish the *County of Los Angeles Liability Claim User's Guide* and conduct Countywide liability claim management training programs.
- Publish the liability claim procedures manual for claims adjusted by the CAO.
- Publish *Periodic Payment Program Guidelines* related to the management of structured settlements and annuities.
- Continue to collaboratively work with County Counsel divisions and County departments to efficiently adjust claims and minimize claim-related losses.

Risk Management Inspector General:

CAO/RMIG provides consultative services that support County departments in the evaluation and assessment of risks that may result in property losses, liability or workers' compensation claims, or other loss-related financial exposures. CAO/RMIG staff assists departments in the development of Corrective Action Plans (CAP), root cause analysis, and development of loss control options. In addition, in collaboration with CAO Loss Control and Prevention (CAO/LCP) staff, CAO/RMIG staff also conducts independent departmental implementation assessments of CAPs for liability claim settlements in excess of \$100,000.

CAO/RMIG also provides the following services to the County:

- CAP development and root cause analysis consultative services and training for departmental representatives; and,
- Maintenance of the County's *Corrective Action Plan User's Guide*, that provides standardized and uniform recommended guidelines to departmental representatives related to the development of CAPs.

FY 2005-06 Accomplishments

- Published The County's *Corrective Action Plan User's Guide*.
- Published a procedure for the effective review of Board-required CAPs and trained CAO/LCP staff.
- Developed a comprehensive half day CAP Development Workshop and conducted training for over 200 County employees.
- In collaboration with the CAO/LCP staff, participated in over 30 CAP implementation analysis and development sessions.
- Implemented a process that required liability claim TPAs to notify the departmental Risk Management Coordinator and CAO/LCP staff when a claim's indemnity reserve exceeds \$100,000.

FY 2006-07 Objectives

- Expand half day CAP Development Workshop to a full day session and include additional sections on root cause analysis, loss control, and hazard assessment.
- Establish a process to conduct implementation assessments for historic CAPs with settlements greater than \$500,000.
- Establish a process to conduct implementation assessments for CAPs at six and twelve months from Board of Supervisors (Board) approval.
- Explore the feasibility of implementing a procedure or policy that requires the CAO/RMIG to review and approve CAPs prior to submission to the County Claims Board.
- Publish the *Corrective Action Plan Implementation Assessment Review and Reporting Procedures Manual* and conduct training for County staff who review Board-required CAPs for implementation verification and effectiveness.

LOSS CONTROL AND PREVENTION

The mission of the CAO/RMB Loss Control and Prevention Section (CAO/LCP) is:

To ensure a safe and healthful environment for County of Los Angeles employees, visitors, and citizens; and, to minimize the County's Cost of Risk.

This is accomplished through a number of strategies:

- Understand County departments' operations, exposures, and cost drivers;
- Provide loss control consulting to departments to improve their programs, procedures, and policies relating to workers' compensation, property, and tort liability exposures, including vehicle, general, employment practices, and medical malpractice liability exposures;
- Establish County loss control and prevention standards and assist departments to implement and attain them;
- Focus attention on departments' "cost driver" issues and root causes of loss;
- Facilitate communication between CAO/RMB and departments to discuss risk management issues and implement recommendations; and,
- Enhance the loss control and prevention knowledge and capabilities within County departments.

CAO/LCP staff are assigned to specific departments to provide County departmental personnel a single point of contact for all loss control and prevention issues. Assigned CAO/LCP staff members often serve as the liaison for loss control and prevention services for their departments. Loss control and prevention services can be provided by any CAO/LCP staff member, or by outside consultants as recommended by CAO/LCP staff.

During FY 2005-06, CAO/LCP continued to focus on standardizing the process through which CAO/LCP services are provided to County departments. CAO/LCP is shifting from a traditional health and safety consultative model to one focused on issues driving workers' compensation and tort liability costs, including vehicle, general, employment practices, and medical malpractice liability costs. From a Countywide perspective, there are a number of areas where significant attention is being focused:

- Assisting departments with prioritizing and implementing loss control and prevention recommendations;
- Improving accident investigations and determining root causes of accidents;
- Developing Corrective Action Plans (CAPs) and loss control and prevention activities to address the root causes of accidents;
- Identifying and evaluating risks on a department-by-department basis; and,
- Developing recommendations to address exposures and risks.

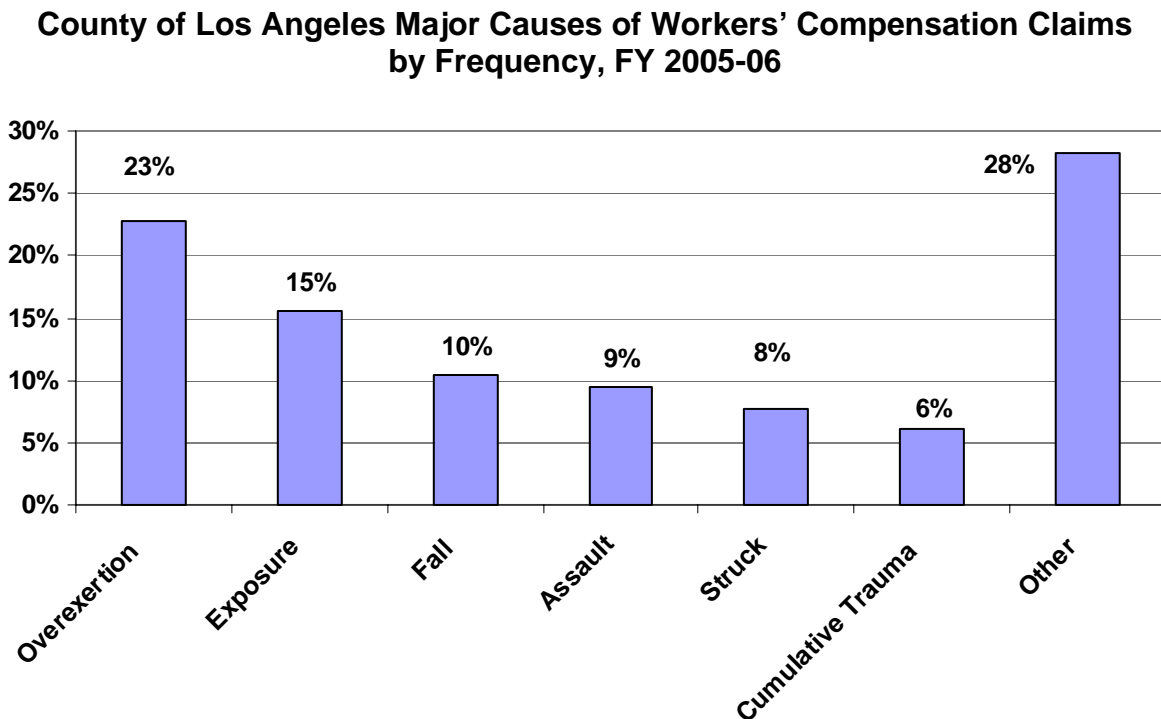
The leading causes of County workers' compensation claims are:

1. Overexertion (lifting, carrying, pushing, pulling);
2. Exposure;
3. Slips and falls;
4. Assaults;
5. Struck by falling/flying objects;
6. Cumulative trauma;
7. Vehicle accidents (transportation); and,
8. Other (including emotional, cardiovascular, rubbed by/against, caught in/between)*

* "Rubbed by/against" includes abrasions and foreign objects in the eye; "Caught in/between" involves pinch points, such as pinching fingers in a door.

The causes for these types of claims are being evaluated on a department-by-department basis. Figure 7 illustrates the major causes of FY 2005-06 workers' compensation claims and Figure 8 illustrates the cost breakdown of the FY 2005-06 major causes of claims.

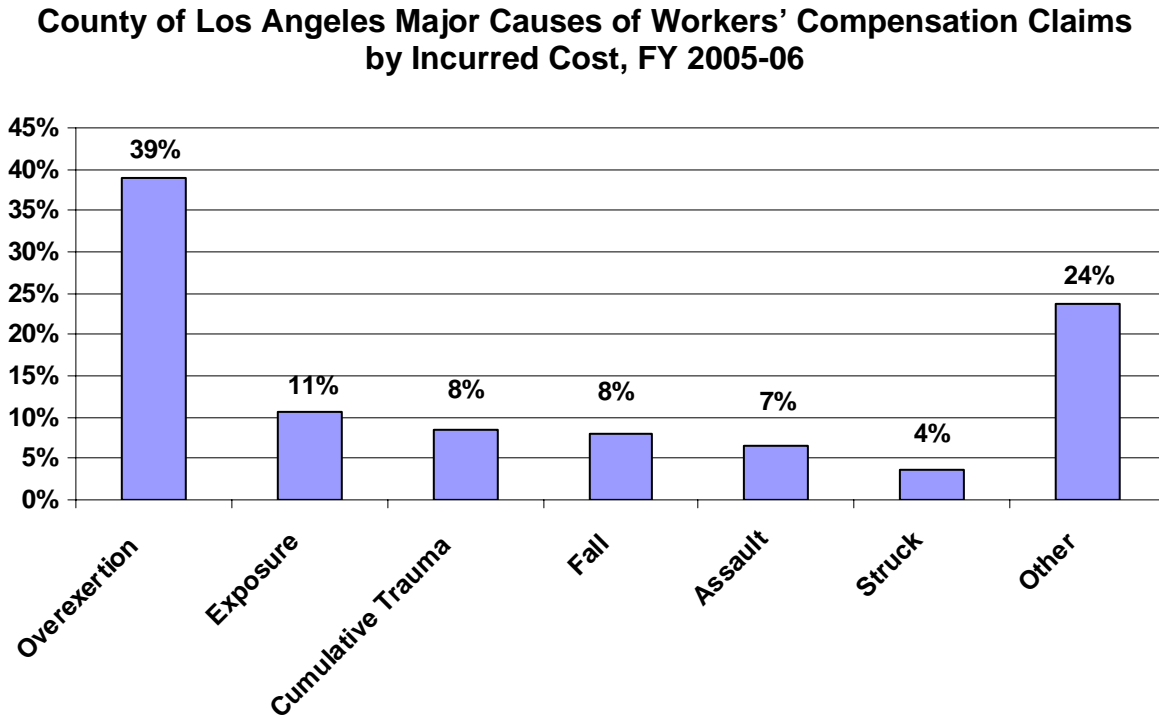
Figure 7: Major causes of workers' compensation claims by frequency



Note:

1. "Other" category includes emotional, cardiovascular, rubbed by/against, caught in/between, and transportation.

Figure 8: Major causes of workers' compensation claims by incurred cost



Note:

1. "Other" category includes emotional, cardiovascular, rubbed by/against, caught in/between, and transportation.

CAO/LCP efforts are essential to ensuring the safety of County employees, visitors, and citizens, and to minimizing the County's Cost of Risk. CAO/LCP continues to work with its departmental contacts to address issues and implement improvements.

The efforts of CAO/LCP will be tracked by measuring activities and results on a quarterly basis. Activities to be tracked include the number of consultations provided for departments, the number of training sessions completed, and the number of new model policies and programs developed. The primary measurement is the frequency of new workers' compensation claims filed annually by employees within each department.

FY 2005-06 Accomplishments

- Updated and expanded the *Risk and Needs Assessments* for all 39 County departments. These assessments include an overview of the departmental operations and exposures, a description of how the safety function is managed in the department, workers' compensation claim information, an evaluation of exposures for workers' compensation, vehicle liability, and general liability, and recommendations for improving loss control and prevention issues. These assessments are periodically updated with new exposure information, CAO/LCP claim analyses, recommendations, and changes in the status of prior CAO/LCP recommendations. Additional information has been added to include claim handling and risk financing issues.

- Provided technical support (consultations, training, surveys, etc.) to all departments on a wide range of loss control topics. A total of 372 consultations were provided. Consultation subjects included ergonomics, recordkeeping, pallet jack safety, chainsaw safety, lockout/tagout procedures, asbestos notifications, injury and illness prevention program, hazard communication, vehicle liability and defensive driving, indoor air quality, heat illness prevention measures, first aid kits, confined space entry, regulatory citations, avian influenza, fire/life safety, hazardous waste, respiratory protection, sound level monitoring, crane certification requirements, fall restraint systems, proper lifting, bloodborne pathogens, and the use of exercise equipment.
- Conducted six Countywide loss control and prevention seminars attended by approximately 350 participants. Representatives from all departments are invited to attend these seminars. Subjects covered included automated external defibrillators, fire and life safety, accident investigation procedures, safety inspection procedures, hazard communication, California Occupational Safety and Health Administration (Cal/OSHA) recordkeeping, and mold and water intrusion.
- Participated in twenty-six property loss control surveys conducted by the County's property insurer.
- Provided support for the CAO/RMIG regarding CAP implementation reviews and training.
- Continued to expand the use of the GenCOMP system (the County's workers' compensation claim database) by encouraging departments to obtain access to the system and by training departmental representatives on how to use the system.
- Expanded CAO/RMB intranet site to include CAO/LCP resource materials, including safety bulletins, training materials, and model programs and policy statements. Produced additional bulletins and programs on subjects including: ergonomics, forklift safety, hantavirus, hot work program, preventing dog bites, respiratory protection, classification of fire extinguishers, use of fire extinguishers, water damage procedures, emergency eyewash and shower inspection process, protecting employees in hot environments, safety posting requirements, and responding to temperature complaints.

FY 2006-07 Objectives

- Continue to update loss control and prevention information in the *Risk and Needs Assessments* and consult with other CAO/RMB staff to further expand subject areas beyond loss control and prevention.
- Continue to assess the implementation status of existing CAPs and provide assistance to departments on the development of new CAPs.
- Conduct six Countywide educational seminars for County safety contacts.
- Develop a "Safety 101" educational program.
- Continue to focus CAO/LCP efforts on "cost driver" issues by assisting departments to implement an aggressive loss control and prevention program.

OCCUPATIONAL HEALTH PROGRAMS

The CAO/RMB Occupational Health Programs' (CAO/OHP) mission is:

To protect the health of County of Los Angeles employees, and by extension, the health and safety of the public they serve; and, to minimize the adverse effects of employee illness and injury on County departments.

Medical Guidelines and Records:

CAO/OHP's primary responsibilities are to develop and implement job-related medical guidelines for County employees and new job applicants, advance the health of County employees, and manage the County's employee medical records process. New and revised medical guidelines are developed in accordance with Federal and State of California (State) law, including Cal/OSHA, the Federal Americans with Disabilities Act, and the State's Fair Employment and Housing Act. The need to establish medical guidelines occurs when new positions are created and existing positions change in their physical, psychological or emotional demands, or when medical knowledge advances.

CAO/OHP provides medical evaluation services through multiple, contracted medical clinic sites throughout the County. CAO/OHP also maintains the confidential employee medical records resulting from these evaluations. Evaluation services are provided to both applicants and County employees. Applicants and employees seeking promotional opportunities must meet the medical standards for a County position through the pre-placement medical examination process. Periodic medical monitoring is provided to County employees, pursuant to Cal/OSHA or State Department of Motor Vehicles requirements, or as part of an established wellness/fitness program. CAO/OHP medical staff review the evaluations and liaisons with County departments to provide medical clearance. CAO/OHP responds to the County Civil Service appeal process if an evaluation is challenged.

Protection of Employee Health:

CAO/OHP assesses and advises departments regarding the effects of health conditions or concerns that may impact the health and productivity of County employees. As requested by departments, CAO/OHP provides medical and psychological consultation, assessment, and development of medical screening and prevention protocols based upon current treatment guidelines for ongoing and situational needs.

Drug and Alcohol Program:

CAO/OHP administers programs for the drug and alcohol testing of truck and ambulance drivers, high risk crafts positions, and for new hires and employees defined as commercial drivers by the Federal Department of Transportation (DOT) or in safety-sensitive positions. In accordance with DOT requirements, CAO/OHP coordinates pre-placement, post-accident, random, and "reasonable suspicion" drug testing of County commercial drivers through a service vendor. Through the County Drug Free Workplace Program, CAO/OHP provides reasonable suspicion drug and alcohol testing, and the CAO/OHP Employee Assistance Program (EAP) provides Countywide supervisory training for identifying and arranging such employee drug testing.

Medical/Psychological Re-Evaluations:

If a County employee's job performance deteriorates and department management believes this deterioration may be caused by physical and emotional problems, the department may request CAO/OHP to perform an employee medical or psychological re-evaluation pursuant to County Civil Service Rules. In such instances, CAO/OHP will consult with the department to establish the basis for the re-evaluation and will assist the department to develop appropriate, written documentation of the relevant job performance issues. After the re-evaluation is completed, CAO/OHP may impose temporary or permanent work restrictions. Occasionally, CAO/OHP may recommend an employee's medical release from employment.

Employee Assistance Program:

CAO/OHP manages the County's EAP. The EAP was established by the Board of Supervisors in 1981 to provide all County employees and their families access to confidential assessment, counseling, and referral services for personal issues that may impact an employee's job performance. EAP clinicians provide departments training to recognize the existence of employee problems and to initiate appropriate referral to the EAP. In addition, the clinicians offer a variety of training workshops to assist County departments in developing and maintaining a productive workforce.

Fitness For Life Program:

The Fire Department's Fitness For Life Program, formerly Fire Wellness, now embraces a comprehensive wellness goal of improving the quality of life of all safety personnel. CAO/OHP's role is to evaluate the effectiveness of the program as realized through cost avoidance in lost work time, workers' compensation, and disability. In addition, through data collection and analysis, CAO/OHP will measure the program's effectiveness. CAO/OHP is responsible for administering the wellness examinations through its contracted clinics. During FY 2005-06, over 1,909 firefighters participated in the program. The number of participants is expected to increase by 50% during FY 2006-07.

FY 2005-06 Accomplishments

- Responded to the medical and psychological examination needs of County departments. Table 3 provides FY 2003-04 through FY 2005-06 CAO/OHP output measures.

Table 3: CAO/OHP output

Service Provided	FY 2003-04	FY 2004-05	FY 2005-06
Medical Appeals	38	20	40
Applicant Medical Examinations	3,851	6,039	8,723
Employee Medical Examinations	6,164	3,835	3,928
Subpoenas/Records Requests	490	343	214
Psychological Appeals	57	55	59
EAP Counseling Sessions	586	570	605
EAP Telephone Sessions	897	999	935
EAP Training Sessions	109	138	102
Employees Trained by EAP	2,951	4,614	3,067

- Evaluated and modified pre-placement medical examination program protocols, techniques, and procedures for improved cost efficacy and to ensure compliance with applicable Federal and State regulations.
- Developed web-based Countywide reasonable suspicion employee drug and alcohol testing training programs to improve identification of substance abuse/misuse and prevent associated accidents, injuries, and workers' compensations claims.
- Developed and implemented a website to assist County human resource managers select contractors based on relative costs and quantitative measurements of performance.

Objectives for FY 2006-07

- In collaboration with CAO Return-to-Work, CAO Information Technology Services, and Internal Services Department, develop and implement a shared database to replace the existing system for tracking medical testing and employee work restrictions. Utilizing that technology, develop and implement new administrative processes for improved efficiencies and reporting.
- Implement tracking of results and provide ongoing evaluation of the Fire Department's new Fitness for Life Program.
- Expand training of County staff concerning interactive hiring processes and placement of employees with work restrictions.
- Transition medical staff from predominantly part-time physicians to full-time physicians.
- Add orthopedic and podiatric specialists to the CAO's panel of consultants to provide medical assistance on work-fitness cases and training on physical examinations.
- Update and revise contractors' clinical practice guidelines.

RETURN-TO-WORK AND DISABILITY MANAGEMENT

The CAO/RMB Return-to-Work and Disability Management Programs (CAO/RTW) are primarily responsible for:

Countywide Return-to-Work Program; medical management of workers' compensation claims including workers' compensation bill review, the County of Los Angeles' Medical Provider Network, and treatment review processes; and, administration of the County's Short Term Disability Plan, two Long Term Disability Plans and Long Term Disability Health Insurance Program.

Return-to-Work:

The Return-to-Work (RTW) Program is based upon the recognition that many employees can safely perform productive and transitional work as part of their recovery process and that an effective RTW Program enhances the employee's well-being.

RTW information is available through the internet website at: <http://cao.lacounty.gov/mpn/>.

In FY 2005-06, Countywide RTW efforts included further implementation of measures provided by State of California (State) Senate Bill 899.

RTW continues to offer monthly subject matter training to department RTW Coordinators to advance departmental expertise and provide a forum to discuss compliance issues. The RTW 101 Training Course, consisting of six half-day sessions, provides core knowledge to new incumbents and is offered once every six months. Twenty eight department employees attended an intensive course in FY 2005-06.

CAO/RTW conducted 47 RTW training sessions and 17 Medical Provider Network (MPN) training sessions for departmental personnel. During FY 2005-06, CAO/RTW provided training for the following groups:

- County workers' compensation third party administrators (TPAs);
- County Counsel and panel attorneys;
- Department personnel officers;
- Department Risk Management Coordinators;
- Medical network providers;
- Personnel advocacy members; and,
- Los Angeles County Management Council.

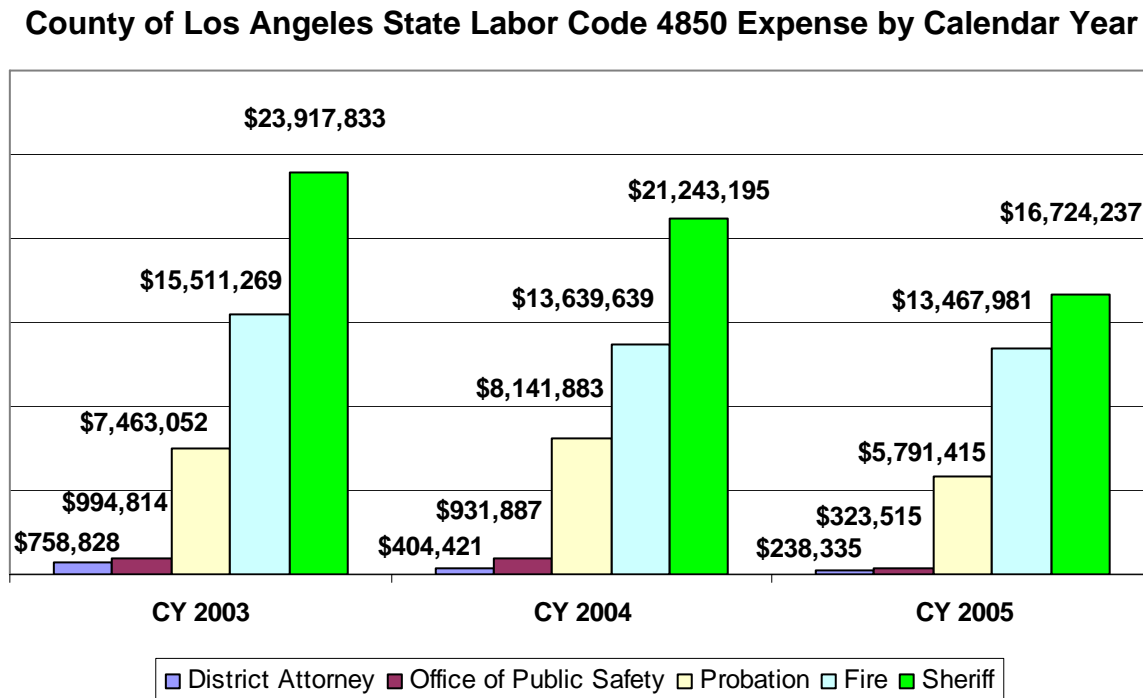
CAO/RTW provides training and resources to facilitate successful return-to-work for County departments. In addition, CAO/RTW assisted during 28 departmental interactive meetings, attended 41 claim file review meetings, approved 85 vocational rehabilitation plans, and monitored over 1,000 work restrictions.

The County's RTW program's effectiveness can be measured through cost avoidance of salary continuation and State Labor Code 4850 payments. RTW effectiveness results from a team effort of departmental RTW staff, workers' compensation TPAs, CAO claim monitors, and departmental supervisors and managers.

During Calendar Year (CY) 2005, salary replacement expense for State Labor Code 4850 and salary continuation both showed dramatic decreases.

- State Labor Code 4850 provides salary replacement paid to injured safety personnel and consists of 100% of salary tax-free. As shown below, the five departments with State Labor Code 4850 eligible employees experienced a 24% decrease in expense from CY 2003 to CY 2005.
- Salary continuation provides salary replacement for injured non-safety personnel and approximates 70% of base salary. The salary continuation expense has declined significantly (42%) from CY 2003 (\$13,614,580) to CY 2005 (\$7,895,313).

Figure 9: State Labor Code 4850 Expense by Calendar Year



Source: Auditor-Controller, based on 100% IA Earnings.

CAO/RTW oversees work restrictions processed by the County's workers' compensation TPAs and department RTW Coordinators. During FY 2005-06, department RTW Coordinators reported creating 1,057 temporary job offers.

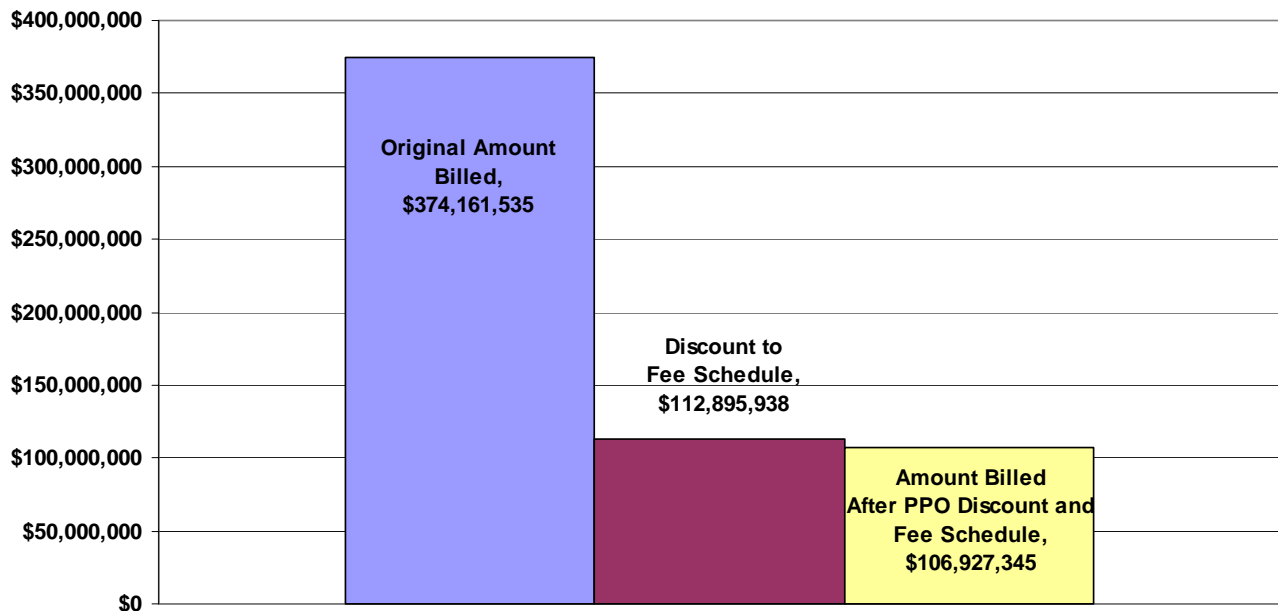
Medical Management:

CAO/RTW is responsible for the medical management component of the County's workers' compensation program. Since 1998, medical management has been an integral part of the County's workers' compensation program. An MPN is a group of medical vendors providing treatment for occupational injuries in compliance with mandatory medical guidelines, access standards, and offers services at discounted rates. An MPN assures medically-based treatment of occupational injuries and that physicians are competent to treat specific work-related illnesses or injuries. The County implemented its MPN on February 1, 2006.

During FY 2005-06, the County processed over 335,443 medical provider bills for workers' compensation services. The California Official Medical Fee Schedule (Fee Schedule) reduced the initial charge of \$374 million to \$113 million (a reduction of \$261 million, or 69.8%). That amount was further reduced by the MPN's Preferred Provider Organization (PPO) discount for industrial medical services by approximately \$6 million (an additional 1.6%). The actual amount paid was only 28.6% of the total amount billed.

Figure 10: Bill review results

County of Los Angeles Bill Review Results FY 2005-06



FY 2006-07 Objectives

- CAO/RTW will continue to implement workers' compensation reform through improvements to the County MPN and evidenced-based application of medical treatment.
- Develop and establish a confidential CAO/RTW database to track employee work restrictions issued by workers' compensation physicians, by CAO/RTW, or by the employee's health care provider.
- Continue department outreach by offering technical training to RTW Coordinators, supervisors, and managers.
- Continue to assess the potential for CAO/RTW to provide RTW shared services for smaller departments.
- Continue to develop and implement a Countywide RTW program and mandatory participation by departments.

Disability Management:

Disability management consists of the County's Short Term Disability (STD) Plan, two Long Term Disability (LTD) Plans, and the LTD Health Insurance Program. The plans' administration includes managing a TPA, advising departments and employees, and financial management of these self-insured programs. Monthly meetings are held with the County's TPA to review claim processes and resolve eligibility problems.

During FY 2005-06, the STD Plan's benefits were improved. The overall impact was an increase in the income replacement benefit, reduction of waiting periods, and a change to eligibility requirements for recurring disabilities.

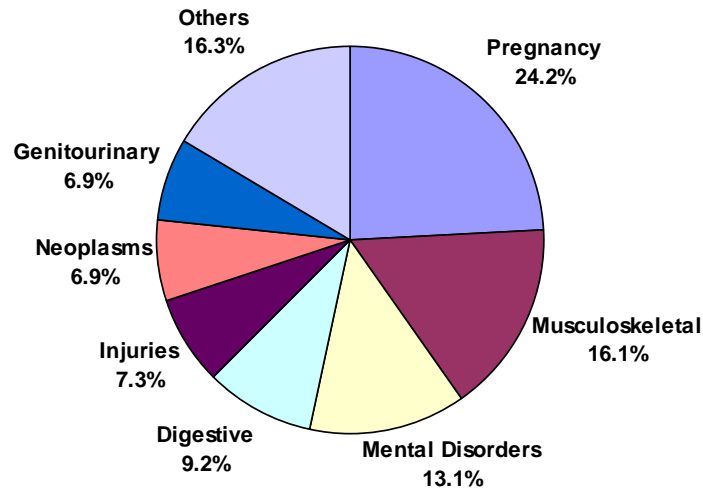
The number of approved STD claims decreased almost 4% from FY 2004-05 to FY 2005-06.

Table 4: Short Term Disability performance measures

STD Plan Components	FY 2003-04	FY 2004-05	FY 2005-06
Claims Approved	457	484	466
Average Claim Duration	12.0 weeks	11.6 weeks	10.9 weeks
Return-to-Work Savings	5,488 hours	7,368 hours	5,662 hours
Claim Expenses	\$3,914,998	\$4,193,202	\$4,747,781

Figure 11: Short Term Disability claims approved by diagnosis category

**County of Los Angeles Short Term Disability Claims Approved by Diagnosis Category
FY 2005-06**



The management of the LTD Health Insurance Program transferred to the CAO from Department of Human Resources in January 2006. Thereafter, administrative hearings were initiated to provide an appeal process for applicants denied LTD Health Insurance.

The development of an LTD hearing officer master list improved scheduling of administrative hearings and pre-hearing conferences. A record number of 24 administrative hearings were conducted in FY 2005-06.

The number of LTD claims approved decreased 38% from FY 2004-05 to FY 2005-06.

The frequency of medical separation and increased number of Retirement Plan E participants may increase claim frequency in future years.

Table 5: Long Term Disability performance measures

LTD Plan Components	FY 2003-04	FY 2004-05	FY 2005-06
Claims Approved	599	828	512
Average Number of Open Claims	2,352	2,556	2,529
Medical Separation for Total Disability	65	82	115
Amount of LTD Payments	\$26,018,319	\$28,425,660	\$30,133,570

FY 2006-07 Objectives

- Complete the Request for Proposals and contract processes for selection of a TPA for the STD and LTD plans.
- Evaluate County STD and LTD hearing documents and standardize pre-hearing statements.
- Continue implementing the new STD Plan and train County departments and TPAs on eligibility standards for the STD and LTD plans, and the LTD Health Insurance Program.
- Procure and coordinate an annual disability plans actuarial study.

RISK MANAGEMENT OPERATIONS

The CAO/RMB Risk Management Operations Section (CAO/RMO) is responsible for the following risk management programs and functions:

- County Commercial Insurance Program;
- Coordination of Risk Management Information System (RMIS) with CAO Information Technology Services (CAO/ITS);
- Coordination of the Workers' Compensation Information System (GenCOMP) with CAO/ITS;
- Insurance Budget (departmental coordination);
- CAO/RMB Contracts Administration Program;
- Indemnification and insurance language review and approval;
- Self-insurance certifications;
- Administrative services support to CAO/RMB;
- Ad hoc and special studies and reports; and,
- Risk Management Advisory Committee administration.

FY 2005-06 Accomplishments

- Maintained all commercial insurance programs without a lapse in coverage.
- Renewed RMIS contract with Risk Technologies, Inc. for one year beginning April 2006, including an increase in total contract amount to pay for enhancements and upgrades to RMIS, to better respond to County risk management information needs.
- Continue to coordinate RMIS procedures through CAO/ITS for successful eCAPS implementation.
- Implemented RMIS/eCAPS 1099 tax reporting capability.
- Assisted CAO/ITS with County Counsel RMIS enhancement work orders (implemented in FY 2005-06 and subsequent fiscal years).
- Provided year-round training to RMIS users.
- Worked closely with CAO/ITS and Auditor-Controller (eCAPS staff) to coordinate GenCOMP vendor payment files for payment through eCAPS.
- Completed purchase order to extend GenSource services through June 2007.
- Completed draft, with CAO/ITS, of the GenSource contract with input from the Chief Information Office and County Counsel, targeted for Spring 2007.
- Produced and maintained the County's FY 2005-06 Insurance Budget.

- Produced County certificates of self-insurance for County departments.
- Provided contractual risk (insurance) training to various departments including Health Services, Parks and Recreation, Public Social Services, and for contracting network managers and department volunteer coordinators.
- Maintained the Internal Services Department database and County's Contracting Monitoring System, including the updating of annual contract reports.
- Reviewed and approved indemnification and insurance language for County contracts and Board letters, and conducted training for departmental contract analysts and other staff regarding contracted risk management and related insurance issues.
- Assisted with CAO/RMB administrative functions such as personnel transactions, CAO/RMB reorganization efforts, and space and equipment needs.

FY 2006-07 Objectives

- Maintain all commercial insurance programs with no break in coverage, enhance coverage terms at the most competitive cost, and timely renew all broker services agreements (ongoing).
- Continue providing technical assistance to departments with unique insurance requirements/issues (ongoing).
- Implement, with CAO/ITS, a multi-year contract to continue GenSource services.
- Renew, with CAO/ITS, the RMIS vendor contract.
- Implement work orders to enhance and upgrade RMIS, improve data integrity, produce RMIS reports, and better respond to departmental risk management informational needs.
- Train the ever-increasing large number of RMIS users (ongoing).
- Work with CAO/ITS to expeditiously respond to Workers' Compensation Program inquiries by the Board, the press, and others through the use of GenCOMP (as needed).
- Meet all deadlines and requirements in producing and maintaining the FY 2006-07 Insurance Budget (ongoing).
- Timely renew existing contracts and administer new contracts, with no retroactive contracts (as needed).
- Maintain County contract reporting requirements and maintain the CAO/RMB central contracts files (ongoing).
- Provide County self-insurance certificates, review and approve contract and Board letter indemnification and insurance language, and provide timely training and technical assistance to departments relative to insurance, contractual risk management, and related issues.
- Provide effective administrative services to the CAO and County Risk Manager (as needed).
- Continue to work with CAO/ITS to improve the process for validation of workers' compensation vendors' names and tax identification numbers to assure timely payments of invoices.

PERFORMANCE COUNTS!

Table 6: CAO/RMB *Performance Counts!* program performance measures

Performance Measures ¹	Actual FY 2003-04	Actual FY 2004-05	Actual FY 2005-06	Projected FY 2006-07
Indicators				
Liability loss and adjustment expense as a percent of total County operating expenditures	0.38%	0.38%	0.41%	0.40%
Workers' compensation loss and adjustment expense as a percent of the total County operating expenditures	1.98%	1.56%	1.51%	1.70%
Percent change of Cal/OSHA citations regarding occupational hazards based on a three-year calendar rolling average	-19.0%	-25.0%	-35.4%	-10.0%
Percent change in employees placed in transitional work hardening assignments	12.5%	23.4%	14.6%	10.0%
Operational Measures				
Number of training sessions for departmental Risk Management Coordinators	4	4	3	4
Number of workers' compensation open claims	25,736	24,526	24,875	25,000
Number of pre-placement examinations	3,851	6,039	8,723	10,000
Number of loss control and prevention consultations provided to County departments to identify risk mitigation and control opportunities	568	579	372	600
Number of Return-to-Work training sessions conducted for line supervisors	18	44	64	60

Note:

1. The CAO Risk Management Branch is a relatively new organization, and, to date, is not yet fully staffed and continues to initiate final reorganization efforts. As a result, risk management initiatives to improve risk management programs' results have either only recently begun or are soon to be implemented. Therefore, improvements in the performance of risk management programs will be more apparent in future fiscal years.

STATISTICS

Total Cost Paid – All Claims.....	Exhibit A
Total Cost of Risk	Exhibit B
All Claims Count and Cost Summary.....	Exhibit C
Total Number of Claims Filed.....	Exhibit D
Vehicle Liability Claim Count and Cost Summary.....	Exhibit E
General Liability Claim Count and Cost Summary.....	Exhibit F
Medical Malpractice Claim Count and Cost Summary.....	Exhibit G
Workers' Compensation Claim Count and Cost Summary...	Exhibit H



Exhibit A: Fiscal year comparison of total cost paid, regardless of date of occurrence

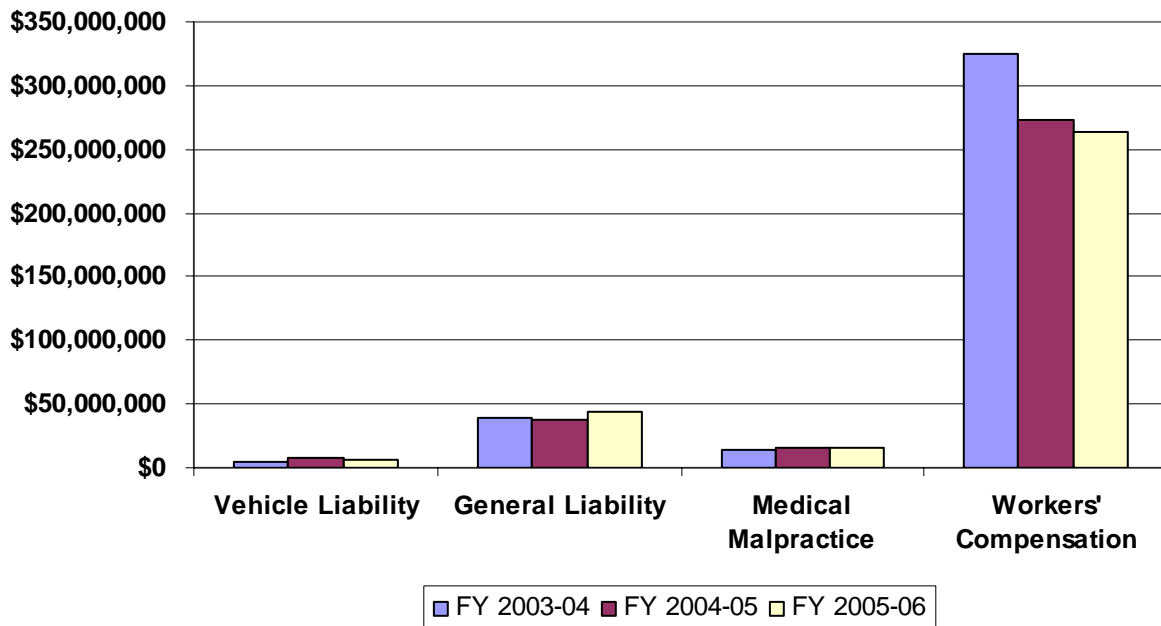
**County of Los Angeles Total Cost Paid – All Claims
FY 2003-04 through FY 2005-06**

Fiscal Year	Cost ^{1,2}	Vehicle Liability	General Liability	Medical Malpractice	Workers' Compensation ⁴	Total
FY 2003-04	Amount Paid ³	\$4,912,917	\$38,779,006	\$14,664,969	\$324,414,785	\$382,771,677
FY 2004-05	Amount Paid ³	\$7,884,433	\$37,344,952	\$16,181,043	\$272,735,278	\$334,145,706
FY 2005-06	Amount Paid ³	\$6,742,054	\$44,489,991	\$15,256,675	\$263,053,690	\$329,542,411

Notes:

1. Data do not include unemployment costs.
2. Data include pending and non-jurisdictional departments, but do not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information includes County Counsel tort claims.
3. Amount Paid is the total of the transactions paid by coverage code in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of occurrence date; does not include RBNP or IBNR reserves.
4. Workers' compensation paid does not reflect State of California Labor Code 4850 or salary continuation payments.

**County of Los Angeles Total Cost Paid by Claim Type
FY 2003-04 through FY 2005-06**



County of Los Angeles Percentage of Total Cost Paid by Claim Type
FY 2005-06

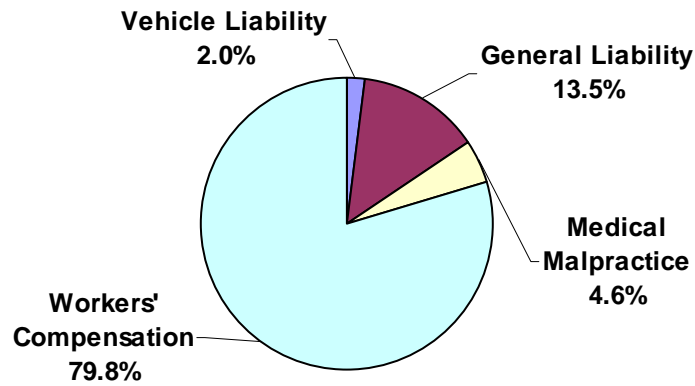
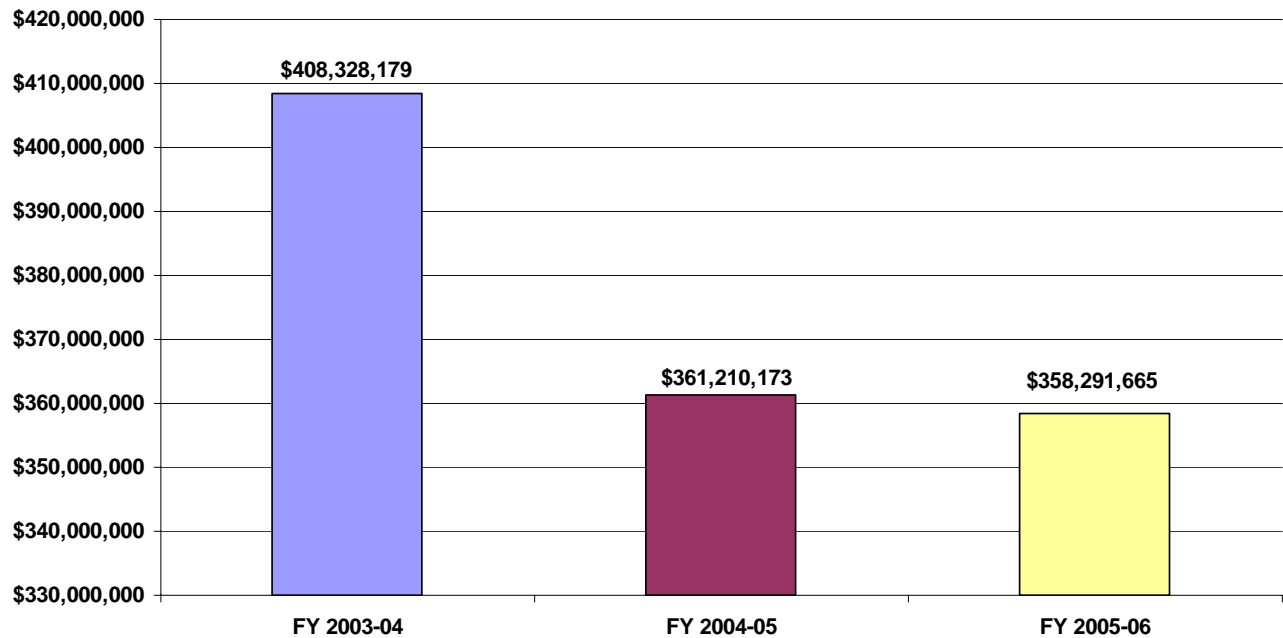


Exhibit B: County fiscal year comparison of total Cost of Risk¹, regardless of date of occurrence

County of Los Angeles Total Cost of Risk
FY 2003-04 through FY 2005-06



Note:

1. Cost of Risk is the total of: (1) Claims and premiums, and (2) other costs, as stated in the Cost of Risk table (Annual Report, Executive Summary).

Exhibit C: All claims count and cost summary

County of Los Angeles All Claims Count and Cost Summary

Department	FY 2003-04		FY 2004-05		FY 2005-06	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Administrative Officer	14	\$1,061,464	15	\$1,109,722	7	\$1,294,066
Affirmative Action	7	\$4,149	2	\$70,210	2	\$79,223
Agricultural Commissioner/Weights and Measures	98	\$939,564	77	\$754,359	48	\$862,669
Alternate Public Defender	6	\$113,689	10	\$277,419	14	\$367,620
Animal Care and Control	110	\$692,835	98	\$1,482,215	156	\$1,144,491
Assessor	53	\$1,736,194	45	\$1,358,453	46	\$1,193,940
Auditor-Controller	93	\$580,562	83	\$400,703	108	\$407,468
Beaches and Harbors	44	\$773,857	39	\$530,936	47	\$923,553
Board of Supervisors	40	\$659,549	45	\$518,185	26	\$890,880
Chief Information Officer	2	\$6,117	0	\$7,343	0	\$7,643
Child Support Services	165	\$3,797,586	137	\$3,554,499	121	\$2,775,257
Children and Family Services	635	\$21,296,854	553	\$15,595,595	484	\$15,156,208
Community and Senior Services	26	\$828,557	29	\$1,026,057	18	\$923,223
Consumer Affairs	8	\$31,864	4	\$52,744	2	\$49,033
Coroner	53	\$1,035,723	63	\$659,102	59	\$966,585
County Counsel	22	\$1,917,350	22	\$1,145,628	15	\$658,868
District Attorney	138	\$6,302,143	142	\$5,910,659	152	\$5,085,718
Fire	1,665	\$34,836,668	1,480	\$33,165,404	1,494	\$31,777,822
Health Services	1,995	\$67,511,621	1,824	\$60,758,759	1,874	\$56,639,640
Human Relations Commission	1	\$2,131	0	\$346	2	\$5,712
Human Resources	11	\$350,669	9	\$377,354	7	\$149,149
Internal Services	244	\$6,325,957	238	\$5,735,526	185	\$1,798,066
LACERA	14	\$362,922	14	\$346,376	9	\$546,104
Mental Health	187	\$5,502,913	210	\$4,247,555	222	\$5,210,521
Military and Veterans Affairs	4	\$58,974	3	\$48,055	5	\$59,168
Museum of Art	8	\$213,594	9	\$121,363	9	\$161,430
Museum of Natural History	12	\$96,434	9	\$213,826	2	\$113,684
Non-Jurisdictional	346	\$175,205	359	\$218,883	328	\$148,932
Office of Public Safety	147	\$5,142,449	84	\$3,674,641	102	\$2,857,362
Ombudsman	0	\$0	1	\$0	0	\$0
Parks and Recreation	276	\$4,156,045	294	\$3,750,721	299	\$2,998,869
Pending Assignment	12	\$49,044	4	\$2,155	21	\$3,132
Probation	844	\$23,351,673	723	\$19,749,912	834	\$18,448,544
Public Defender	76	\$1,165,450	74	\$1,712,096	66	\$1,694,605
Public Health	288	\$10,048,206	236	\$6,110,223	218	\$6,986,908
Public Library	49	\$813,726	54	\$1,400,358	55	\$907,359
Public Social Services	1,020	\$34,669,887	1,024	\$29,086,900	854	\$28,858,536
Public Works	1,164	\$10,643,848	1,246	\$10,273,911	1,043	\$13,331,856
Regional Planning	9	\$144,571	2	\$92,784	9	\$116,145
Registrar-Recorder/County Clerk	89	\$1,522,001	89	\$1,249,748	74	\$1,853,780
Sheriff	5,861	\$120,619,043	5,214	\$105,938,848	5,591	\$112,184,503
Superior Court	343	\$12,466,062	299	\$10,800,180	291	\$9,140,339
Treasurer and Tax Collector	45	\$764,527	41	\$615,957	40	\$763,801
Total⁴	16,135	\$382,771,677	14,809	\$334,145,706	14,791	\$329,542,410

Notes:

1. Amount Paid is the total of the transactions paid by coverage code in the fiscal year regardless of occurrence date plus amounts paid for workers' compensation from the WCTF report. Amount Paid includes indemnity, legal fees and expenses. Does not include RBNP or IBNR reserves. Workers' compensation paid does not reflect State of California Labor Code 4850 or salary continuation payments. Data do not include unemployment costs.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information does include County Counsel tort files. County Counsel expenditures are included.
3. Amounts valued as of June 30, 2006.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

County of Los Angeles Percentage of All Claims Cost Paid by Department
FY 2005-06

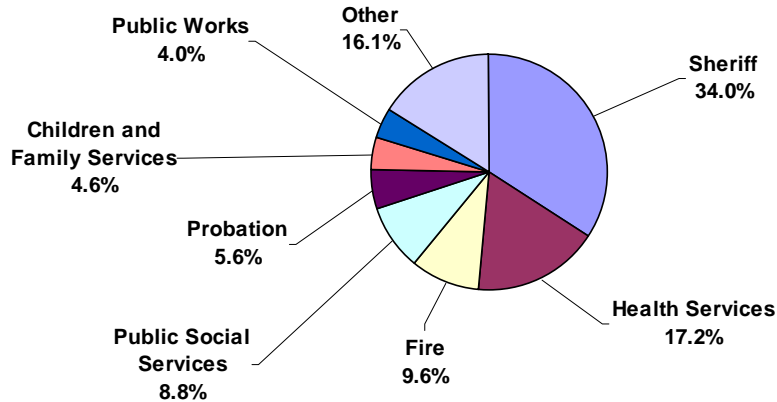


Exhibit D: Fiscal year comparison of total number of claims filed by type

County of Los Angeles Total Number of Claims Filed
FY 2003-04 through FY 2005-06

Claim Type ^{1,2}	FY 2003-04	FY 2004-05	FY 2005-06
Vehicle Liability	968	947	830
General Liability	3,189	2,947	3,093
Medical Malpractice	488	439	400
Workers' Compensation	11,490	10,476	10,468
Grand Total	16,135	14,809	14,791

Notes:

1. Total number of claims filed by fiscal year regardless of date of occurrence; count includes all suffixes.

2. Includes County Counsel tort claims, but not agencies that are not County departments, i.e. MTA, Foothill Transit, etc.

County of Los Angeles Total Number of Claims Filed
FY 2003-04 through FY 2005-06

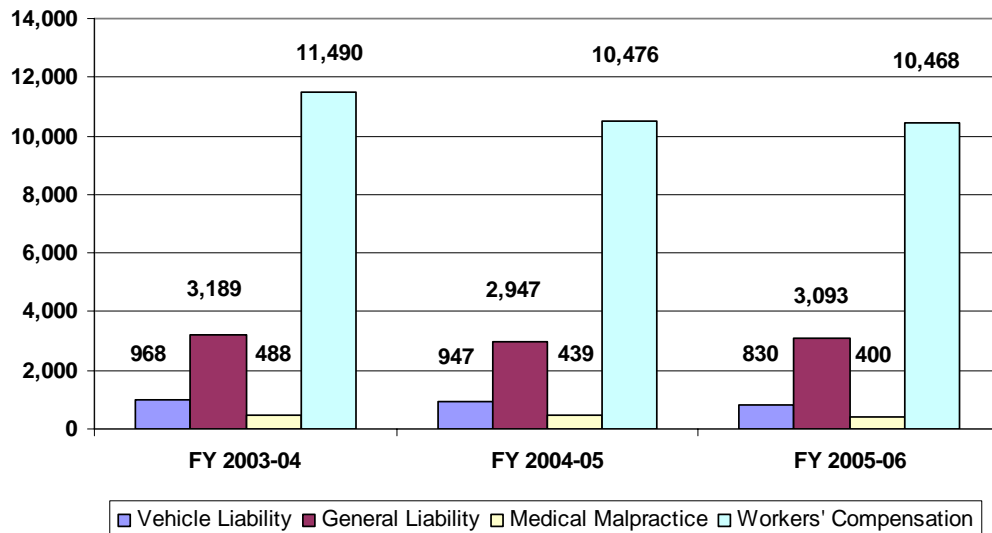


Exhibit E: Fiscal year comparison of vehicle liability claims and cost

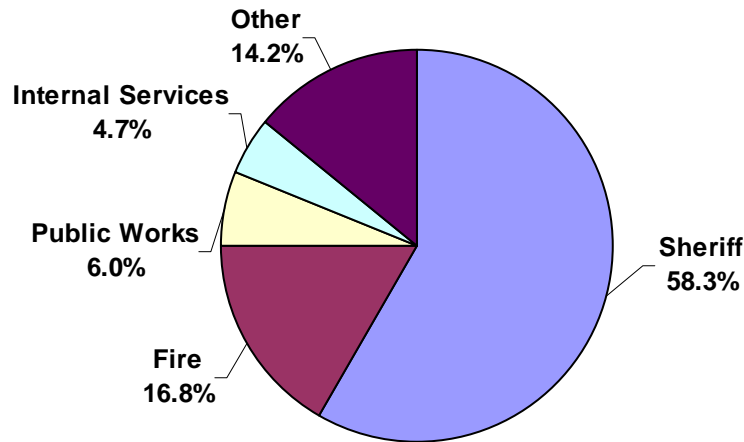
**County of Los Angeles Vehicle Liability Claim Count and Cost Summary
FY 2003-04 through FY 2005-06**

Department	FY 2003-04		FY 2004-05		FY 2005-06	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Administrative Officer	0	\$234	2	\$435	0	\$0
Affirmative Action	0	\$0	0	\$0	0	\$0
Agricultural Commissioner/Weights and Measures	17	\$16,419	10	\$53,761	12	\$68,034
Alternate Public Defender	1	\$2,392	1	\$7,739	3	\$11,077
Animal Care and Control	20	\$52,010	3	\$673,708	2	\$12,643
Assessor	6	\$23,037	4	\$13,075	3	\$15,127
Auditor-Controller	2	\$0	2	\$10,602	2	\$13,454
Beaches and Harbors	1	\$490	4	\$799	6	\$5,154
Board of Supervisors	7	\$4,059	5	\$9,315	5	\$199
Chief Information Officer	0	\$0	0	\$0	0	\$0
Child Support Services	0	\$0	2	\$2,712	0	\$140
Children and Family Services	57	\$268,194	55	\$159,555	47	\$137,681
Community and Senior Services	4	\$721	4	\$10,714	0	\$0
Consumer Affairs	0	\$0	0	\$0	0	\$0
Coroner	3	\$10,861	4	\$8,609	1	\$115
County Counsel	1	\$0	2	\$309	0	\$17
District Attorney	6	\$127,227	10	\$49,524	2	\$40,042
Fire	110	\$542,268	117	\$1,182,343	107	\$1,131,832
Health Services	13	\$16,910	23	\$37,755	19	\$19,607
Human Relations Commission	0	\$0	0	\$0	0	\$0
Human Resources	0	\$0	0	\$0	0	\$0
Internal Services	45	\$112,752	53	\$248,334	30	\$316,999
LACERA	0	\$0	0	\$0	0	\$0
Mental Health	9	\$21,849	28	\$90,750	13	\$130,386
Military and Veterans Affairs	0	\$0	0	\$0	0	\$0
Museum of Art	0	\$0	0	\$0	0	\$0
Museum of Natural History	0	\$0	0	\$0	0	\$0
Non-Jurisdictional	75	\$12,793	73	\$6,898	73	\$6,611
Office of Public Safety	9	\$60,549	0	\$129,283	7	\$14,817
Ombudsman	0	\$0	0	\$0	0	\$0
Parks and Recreation	24	\$79,956	22	\$795,221	30	\$68,888
Pending Assignment	6	\$400	1	\$35	13	\$1,580
Probation	18	\$65,002	16	\$78,548	11	\$34,717
Public Defender	2	\$1,994	4	\$15,008	3	\$58,007
Public Health	25	\$1,129,180	13	\$82,217	15	\$190,455
Public Library	1	\$685	10	\$7,076	2	\$32,221
Public Social Services	20	\$143,363	7	\$151,000	12	\$88,448
Public Works	106	\$230,964	150	\$417,455	110	\$404,117
Regional Planning	1	\$3,253	0	\$0	0	\$0
Registrar-Recorder/County Clerk	3	\$6,222	10	\$16,998	1	\$8,520
Sheriff	376	\$1,979,133	313	\$3,624,655	301	\$3,931,167
Superior Court	0	\$0	0	\$0	0	\$0
Treasurer and Tax Collector	0	\$0	0	\$0	0	\$0
Total⁴	968	\$4,912,917	947	\$7,884,433	830	\$6,742,054

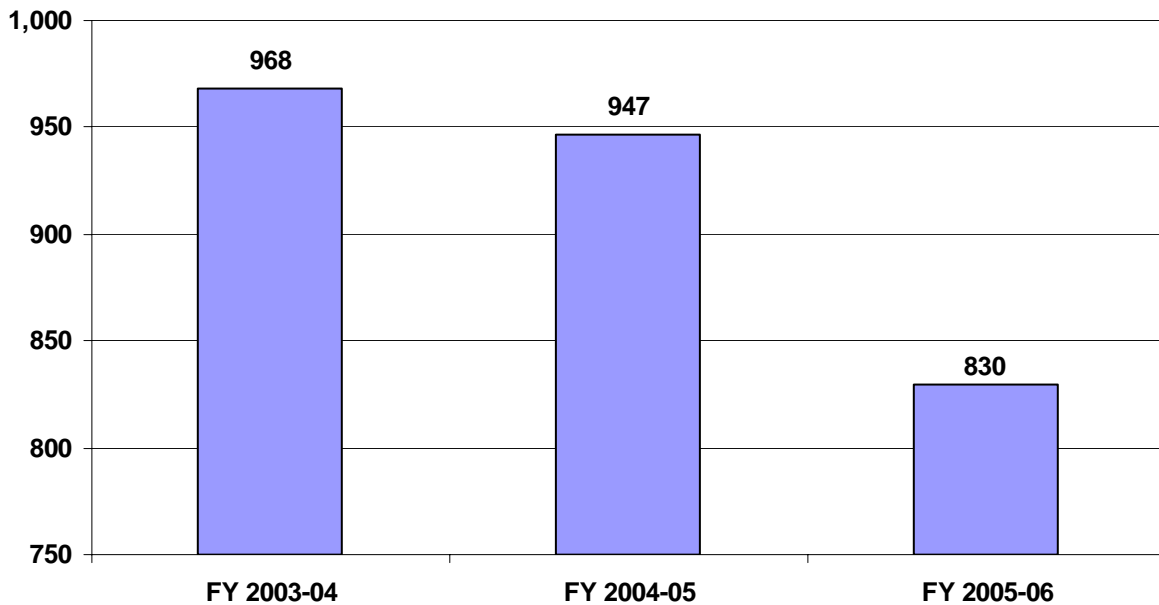
Notes:

1. Amount Paid is the total of the transactions paid for vehicle liability claims and lawsuits in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts do not include non-insured and non-third party vehicle losses which are directly paid by the departments. Amounts valued as of June 30, 2006.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

County of Los Angeles Percentage of Vehicle Liability Cost Paid by Department
FY 2005-06



County of Los Angeles Number of Vehicle Liability Claims by Fiscal Year



Vehicle liability claim frequency continues to improve. There were 14.2% fewer claims in FY 2005-06 than in FY 2003-04. Much of the reduction in FY 2005-06 occurred in Internal Services Department and Department of Public Works.

Exhibit F: Fiscal year comparison of general liability claims and cost

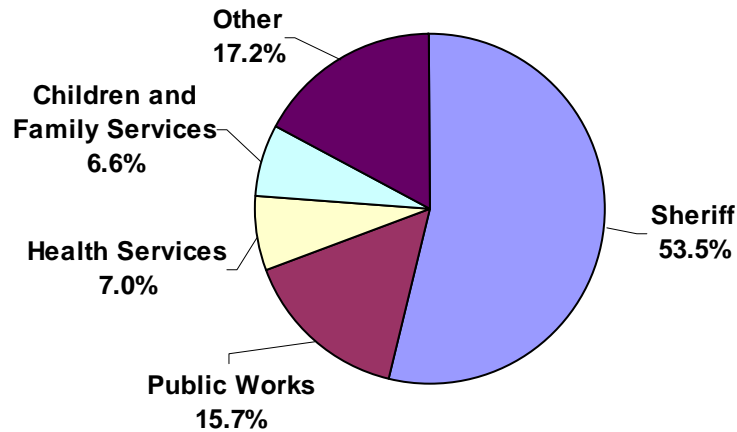
**County of Los Angeles General Liability Claim Count and Cost Summary
FY 2003-04 through FY 2005-06**

Department	FY 2003-04		FY 2004-05		FY 2005-06	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Administrative Officer	6	\$524,604	3	\$771,535	1	\$1,002,398
Affirmative Action	1	\$2,441	0	\$342	1	\$316
Agricultural Commissioner/Weights and Measures	42	\$4,946	32	\$121,737	8	\$5,333
Alternate Public Defender	3	\$22,629	2	\$179,574	3	\$304,390
Animal Care and Control	5	\$36,536	14	\$42,924	7	\$313,241
Assessor	7	\$10,036	5	\$29,094	9	\$88,394
Auditor-Controller	75	\$92,526	61	\$12,056	98	\$44,822
Beaches and Harbors	19	\$226,042	11	\$50,278	18	\$339,764
Board of Supervisors	21	\$373,693	27	\$330,097	13	\$695,461
Chief Information Officer	1	\$1,761	0	\$352	0	\$0
Child Support Services	41	\$376,530	39	\$194,633	24	\$189,228
Children and Family Services	158	\$3,800,437	120	\$2,261,037	102	\$2,955,846
Community and Senior Services	7	\$77,279	6	\$332,928	3	\$152,494
Consumer Affairs	1	\$110	2	\$19,259	0	\$74
Coroner	2	\$10,335	11	\$4,953	4	\$49,301
County Counsel	10	\$1,331,368	5	\$622,013	2	\$302,531
District Attorney	46	\$656,415	54	\$1,143,156	80	\$689,485
Fire	122	\$401,656	36	\$603,317	30	\$493,312
Health Services	158	\$3,231,478	168	\$2,760,271	176	\$3,129,168
Human Relations Commission	0	\$0	0	\$0	1	\$0
Human Resources	0	\$90,459	2	\$104,653	4	\$819
Internal Services	35	\$370,580	41	\$346,543	26	-\$3,303,516 ⁵
LACERA	0	\$0	0	\$0	0	\$0
Mental Health	20	\$700,910	16	\$517,850	28	\$985,753
Military and Veterans Affairs	0	\$0	0	\$0	0	\$0
Museum of Art	4	\$45,793	3	\$84	5	\$596
Museum of Natural History	6	\$2,637	3	\$44,332	0	\$3,871
Non-Jurisdictional	254	\$161,547	264	\$210,778	240	\$141,708
Office of Public Safety	5	\$1,278,566	12	\$496,964	14	\$369,415
Ombudsman	0	\$0	0	\$0	0	\$0
Parks and Recreation	63	\$512,586	62	\$330,869	66	\$416,583
Pending Assignment	6	\$48,644	3	\$2,120	4	\$1,552
Probation	46	\$1,507,403	32	\$1,223,527	34	\$1,535,527
Public Defender	35	\$225,801	17	\$637,883	15	\$500,361
Public Health	11	\$635,328	5	\$113,335	16	\$891,011
Public Library	5	\$15,043	3	\$392,973	4	\$183,177
Public Social Services	38	\$562,852	32	\$265,297	23	\$740,526
Public Works	734	\$3,642,494	791	\$3,992,632	612	\$6,962,971
Regional Planning	4	\$89,063	0	\$55,691	4	\$384
Registrar-Recorder/County Clerk	9	\$385,587	12	\$227,861	6	\$362,065
Sheriff	1,211	\$17,216,596	1,100	\$18,872,307	1,478	\$23,803,724
Superior Court	1	\$78,204	0	\$17,406	2	\$19,337
Treasurer and Tax Collector	18	\$28,092	15	\$12,290	21	\$118,568
Total⁴	3,189	\$38,779,006	2,947	\$37,344,952	3,093	\$44,489,991

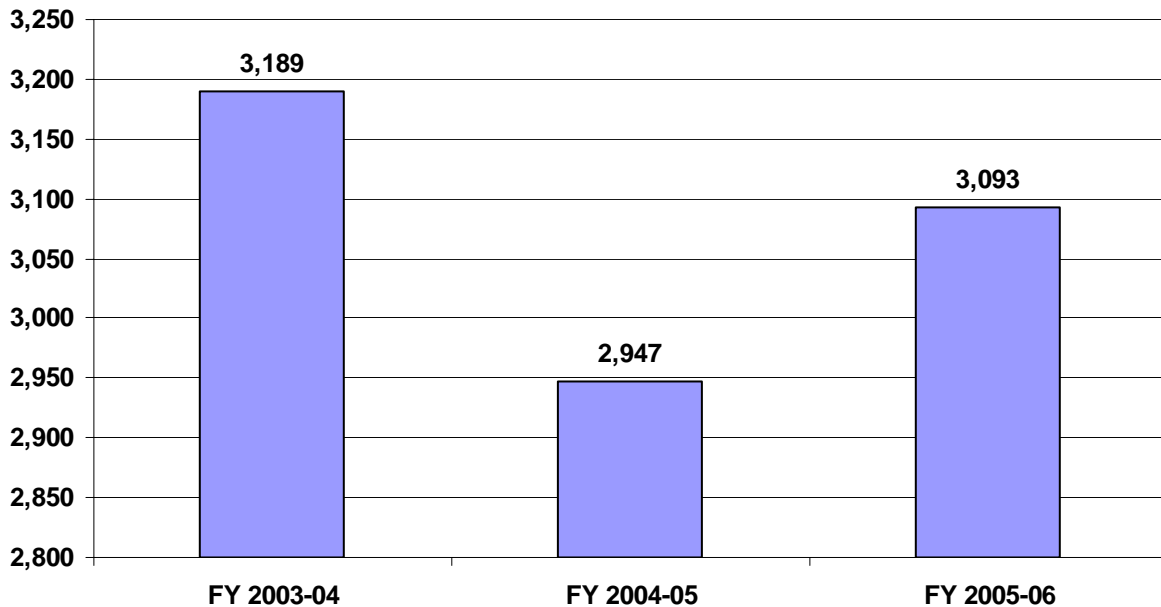
Notes:

1. Amount Paid is the total of the transactions paid for liability claims and lawsuits in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2006.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.
5. FY 2005-06 Amount Paid for Internal Services Department includes the recovery of \$3.9 million on one claim.

County of Los Angeles Percentage of General Liability Cost Paid by Department
FY 2005-06



County of Los Angeles Number of General Liability Claims by Fiscal Year



General liability claim frequency increased in FY 2005-06 following a decline in the prior year. The frequency of general liability claims over the three years has been relatively stable.

Exhibit G: Fiscal year comparison of medical malpractice liability claims and cost

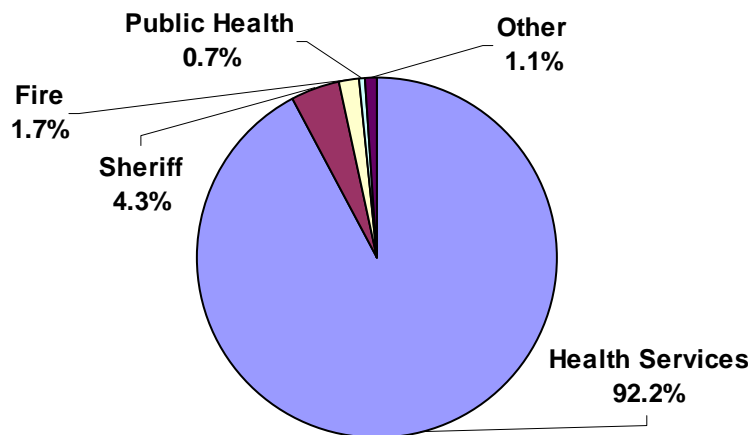
**County of Los Angeles Medical Malpractice Claim Count and Cost Summary
FY 2003-04 through FY 2005-06**

Department	FY 2003-04		FY 2004-05		FY 2005-06	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Children and Family Services	5	\$100,482	2	\$117,331	5	\$39,561
Coroner	20	\$63,295	15	\$24,377	24	\$52,240
District Attorney	0	\$0	2	\$53	0	\$10,261
Fire	14	\$130,579	9	\$205,979	5	\$252,435
Health Services	346	\$11,713,246	367	\$14,275,372	307	\$14,068,428
Mental Health	25	\$132,296	11	\$84,330	16	\$60,420
Non-Jurisdictional	17	\$865	22	\$1,207	15	\$613
Office of Public Safety	0	\$23,058	0	\$14,914	0	\$0
Probation	2	\$30,713	0	\$139,947	0	\$734
Public Health	2	\$1,375,898	6	\$107,262	1	\$111,376
Public Social Services	2	\$293	0	\$178	0	\$0
Sheriff	103	\$1,094,243	37	\$1,210,095	86	\$660,607
Total⁴	488	\$14,664,969	439	\$16,181,043	400	\$15,256,675

Notes:

1. Amount Paid is the total of the transactions paid for medical malpractice claims and lawsuits in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2006.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

**County of Los Angeles Percentage of Medical Malpractice Cost Paid by Department
FY 2005-06**



Medical malpractice claim frequency continues to decline. There has been an average 10% decrease each of the last two fiscal years.

Exhibit H: Fiscal year comparison of workers' compensation claims and cost

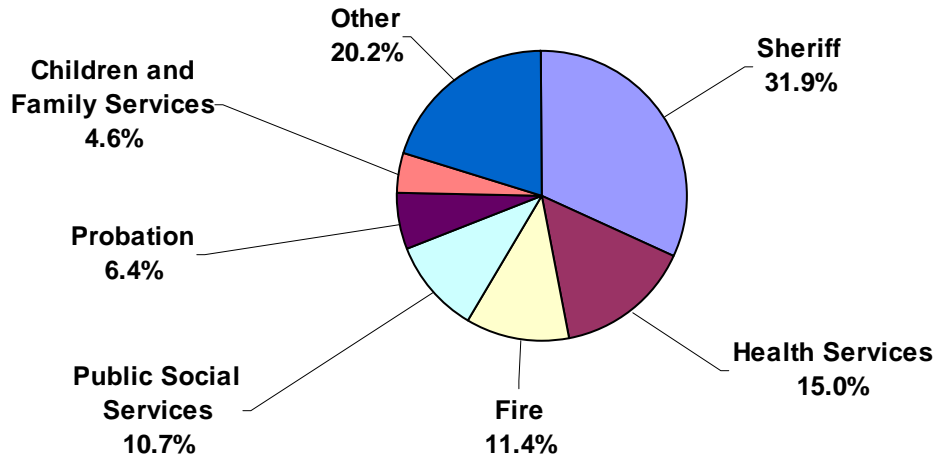
**County of Los Angeles Workers' Compensation Claim Count and Cost Summary
FY 2003-04 through FY 2005-06**

Department	FY 2003-04		FY 2004-05		FY 2005-06	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Administrative Officer	8	\$536,626	10	\$337,752	6	\$291,668
Affirmative Action	6	\$1,708	2	\$69,868	1	\$78,907
Agricultural Commissioner/Weights and Measures	39	\$918,199	35	\$578,861	28	\$789,302
Alternate Public Defender	2	\$88,668	7	\$90,106	8	\$52,153
Animal Care and Control	85	\$604,289	81	\$765,583	147	\$818,607
Assessor	40	\$1,703,121	36	\$1,316,284	34	\$1,090,419
Auditor-Controller	16	\$488,036	20	\$378,045	8	\$349,192
Beaches and Harbors	24	\$547,325	24	\$479,859	23	\$578,635
Board of Supervisors	12	\$281,797	13	\$178,773	8	\$195,220
Chief Information Officer	1	\$4,356	0	\$6,991	0	\$7,643
Child Support Services	124	\$3,421,056	96	\$3,357,154	97	\$2,585,889
Children and Family Services	415	\$17,127,741	376	\$13,057,672	330	\$12,023,120
Community and Senior Services	15	\$750,557	19	\$682,415	15	\$770,729
Consumer Affairs	7	\$31,754	2	\$33,485	2	\$48,959
Coroner	28	\$951,232	33	\$621,163	30	\$864,929
County Counsel	11	\$585,982	15	\$523,306	13	\$356,320
District Attorney	86	\$5,518,501	76	\$4,717,926	70	\$4,345,930
Fire	1,419	\$33,762,165	1,318	\$31,173,765	1,352	\$29,900,243
Health Services	1,478	\$52,549,987	1,266	\$43,685,361	1,372	\$39,422,437
Human Relations Commission	1	\$2,131	0	\$346	1	\$5,712
Human Resources	11	\$260,210	7	\$272,701	3	\$148,330
Internal Services	164	\$5,842,625	144	\$5,140,649	129	\$4,784,583
LACERA	14	\$362,922	14	\$346,376	9	\$546,104
Mental Health	133	\$4,647,858	155	\$3,554,625	165	\$4,033,962
Military and Veterans Affairs	4	\$58,974	3	\$48,055	5	\$59,168
Museum of Art	4	\$167,801	6	\$121,279	4	\$160,834
Museum of Natural History	6	\$93,797	6	\$169,494	2	\$109,813
Non-Jurisdictional	0	\$0	0	\$0	0	\$0
Office of Public Safety	133	\$3,780,276	72	\$3,033,480	81	\$2,473,130
Ombudsman	0	\$0	1	\$0	0	\$0
Parks and Recreation	189	\$3,563,503	210	\$2,624,631	203	\$2,513,398
Pending Assignment	0	\$0	0	\$0	4	\$0
Probation	778	\$21,748,555	675	\$18,307,890	789	\$16,877,566
Public Defender	39	\$937,655	53	\$1,059,205	48	\$1,136,237
Public Health	250	\$6,907,800	212	\$5,807,409	186	\$5,794,066
Public Library	43	\$797,998	41	\$1,000,309	49	\$691,961
Public Social Services	960	\$33,963,379	985	\$28,670,425	819	\$28,029,562
Public Works	324	\$6,770,390	305	\$5,863,824	321	\$5,964,768
Regional Planning	4	\$52,255	2	\$37,093	5	\$115,761
Registrar-Recorder/County Clerk	77	\$1,130,192	67	\$1,004,889	67	\$1,483,195
Sheriff	4,171	\$100,329,071	3,764	\$82,231,791	3,726	\$83,789,005
Superior Court ³	342	\$12,387,858	299	\$10,782,774	289	\$9,121,002
Treasurer and Tax Collector	27	\$736,435	26	\$603,667	19	\$645,233
Total	11,490	\$324,414,785	10,476	\$272,735,278	10,468	\$263,053,690

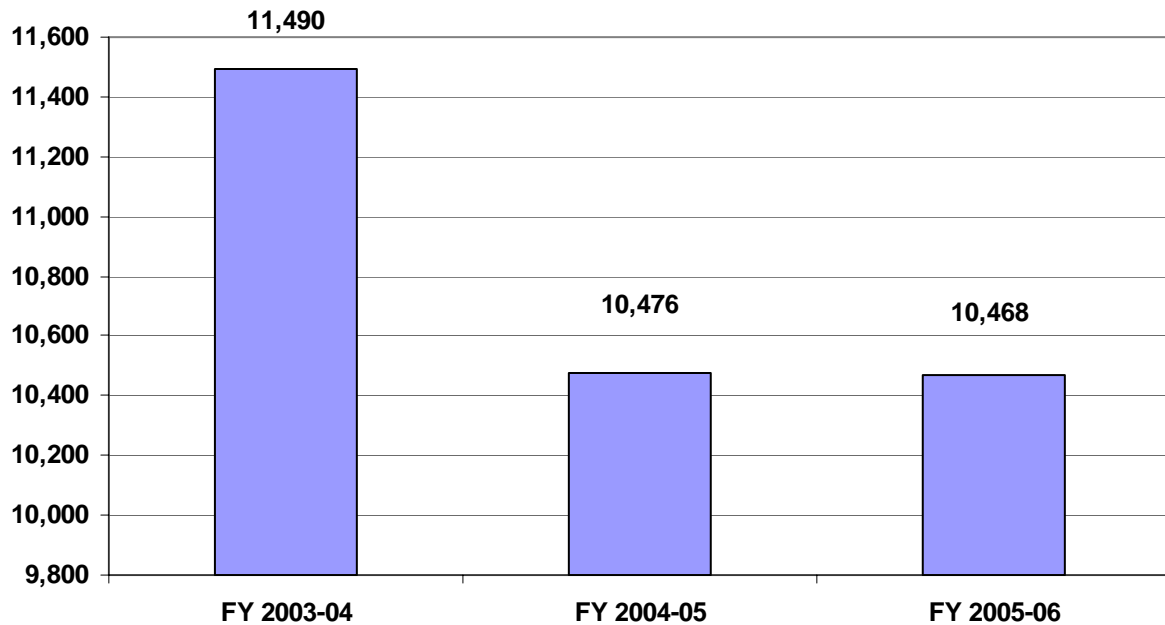
Notes:

1. Amount Paid is the total of the transactions paid for workers' compensation in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves. Workers' compensation paid does not include State of California Labor Code 4850 or salary continuation payments.
2. Amounts as listed on Workers' Compensation Trust Fund Cash Balance Report.
3. Superior Court expenses are billed to the State of California.

County of Los Angeles Percentage of Workers' Compensation Cost Paid by Department
FY 2005-06



County of Los Angeles Number of Workers' Compensation Claims by Fiscal Year



Workers' compensation claim frequency was stable in FY 2005-06 following a decline in the prior year.